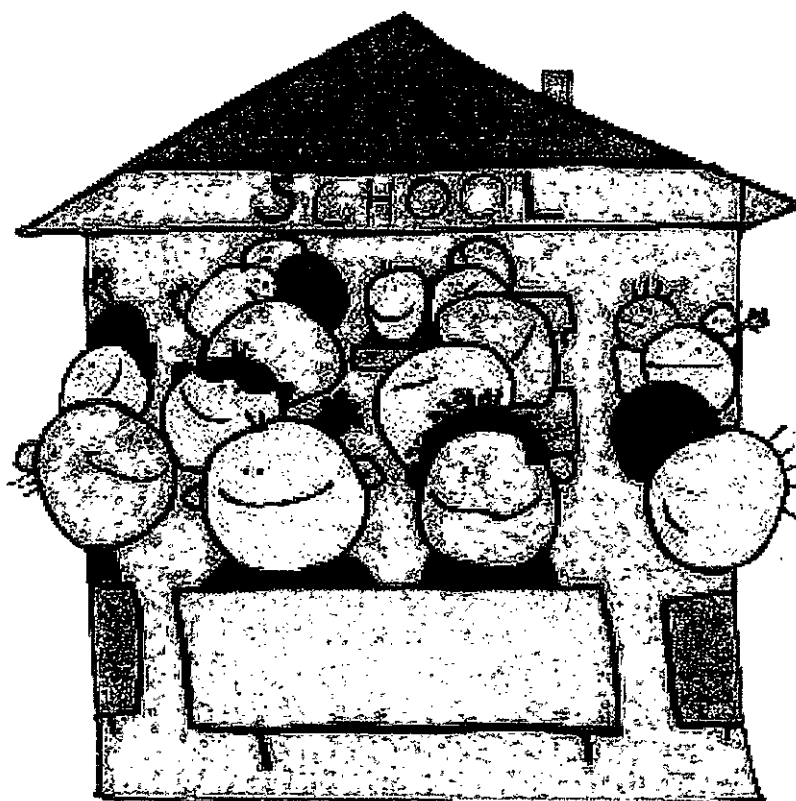


East Carroll Parish School Board

Lake Providence, Louisiana



Annual Financial Report

As of and for the year ended June 30, 2010

Under provisions of state law, this report is a public document. A copy of the report has been submitted to the entity and other appropriate public officials. The report is available for public inspection at the Baton Rouge office of the Legislative Auditor and, where appropriate, at the office of the parish clerk of court.

Release Date 1/26/11

**East Carroll Parish School Board
Lake Providence, Louisiana**

**Annual Financial Report
As of and for the Year Ended June 30, 2010**

**East Carroll Parish School Board
Annual Financial Report**

CONTENTS

	<u>Statement</u>	<u>Page</u>
FINANCIAL SECTION		
Independent Auditors' Report		1-2
Required Supplemental Information		3
Management's Discussion and Analysis (MD&A)		4-11
Basic Financial Statements		
Government-wide Financial Statements (GWFS)		12
Statement of Net Assets	A	13
Statement of Activities	B	14
Fund Financial Statements (FFS)		15
Governmental Funds:		
Balance Sheet	C	16
Reconciliation of the Governmental Funds Balance Sheet to the Statement of Net Assets	D	17
Statement of Revenues, Expenditures, and Changes in Fund Balances	E	18-19
Reconciliation of the Governmental Funds Statement of Revenues, Expenditures, and Changes in Fund Balances to the Statement of Activities	F	20
Fiduciary Funds:		
Statement of Fiduciary Assets and Liabilities	G	21
Notes to the Basic Financial Statements		
Index		22
Notes		23-38
	<u>Exhibit</u>	
REQUIRED SUPPLEMENTAL INFORMATION		39
Schedule of Funding Progress For Other Post Employment Benefit Plan		40
Budgetary Comparison Schedules		41
General Fund	1-1	42
Title I	1-2	43
Notes to the Budgetary Comparison Schedules		44-45
SUPPLEMENTAL INFORMATION		47
Combining Nonmajor Governmental Funds - by Fund Type		
Combining Balance Sheet	2	48
Combining Statement of Revenues, Expenditures, and Changes in Fund Balances	3	49
Nonmajor Special Revenue Funds		50-51
Combining Balance Sheet	4	52-55
Combining Statement of Revenues, Expenditures, and Changes in Fund Balances	5	56-59
Agency Funds		60
Combining Schedule of Assets and Liabilities	6	61
Statement of Changes in Fiduciary Assets and Liabilities	7	62

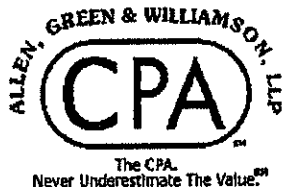
(Continued)

**East Carroll Parish School Board
Annual Financial Report**

CONTENTS

	<u>Exhibit</u>	<u>Page</u>
School Activities Agency Fund		
Schedule of Changes in Deposits Due Others	8	63
General		
Schedule of Compensation Paid Board Members	9	64
 SINGLE AUDIT INFORMATION		 65
Report on Internal Control Over Financial Reporting and on Compliance and Other Matters Based on an Audit of Financial Statements Performed in Accordance With <u>Government Auditing Standards</u>		 66-67
Report on Compliance With Requirements That Could Have a Direct and Material Effect on Each Major Program and on Internal Control Over Compliance in Accordance With <u>OMB Circular A-133</u>		 68-69
Schedule of Expenditures of Federal Awards	10	70
Notes to the Schedule of Expenditures of Federal Awards		71
Schedule of Findings and Questioned Costs		72-78
 OTHER INFORMATION		 79
Summary Schedule of Prior Audit Findings		80-82
Corrective Action Plan for Current-Year Findings and Questioned Costs		83-88
Independent Accountants' Report on Applying Agreed-upon Procedures		89-91
School Board Prepared Performance and Statistical Data Schedules		92-104

(Concluded)



ALLEN, GREEN & WILLIAMSON, LLP

CERTIFIED PUBLIC ACCOUNTANTS

P. O. Box 6075

Monroe, LA 71211-6075

2441 Tower Drive
Monroe, LA 71201

Telephone: (318) 388-4422

Fax: (318) 388-4664

Toll-free: (888) 741-0205

www.allengreencpa.com

Tim Green, CPA
Margie Williamson, CPA
Amy Tynes, CPA

Aimee Buchanan, CPA
Rachel Davis, CPA
Jaime Esswein, CPA
Diane Ferschoff, CPA
Joshua Legg, CPA
Brian McBride, CPA
Jannicia Mercer, CPA
Cindy Thomason, CPA

Ernest L. Allen, CPA
(Retired) 1963 - 2000

INDEPENDENT AUDITORS' REPORT

Board Members
East Carroll Parish School Board
Lake Providence, Louisiana

We have audited the accompanying financial statements of the governmental activities, each major fund, and the aggregate remaining fund information of the East Carroll Parish School Board, as of and for the year ended June 30, 2010, which collectively comprise the School Board's basic financial statements as listed in the table of contents. These financial statements are the responsibility of the School Board's management. Our responsibility is to express opinions on these financial statements based on our audit.

We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in Government Auditing Standards, issued by the Comptroller General of the United States. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes consideration of internal control over financial reporting as a basis for designing audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the School Board's internal control over financial reporting. Accordingly, we express no such opinion. An audit also includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements, assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audit provides a reasonable basis for our opinions.

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, each major fund and the aggregate remaining fund information of the School Board as of June 30, 2010, and the respective changes in financial position thereof for the year then ended in conformity with accounting principles generally accepted in the United States of America.

In accordance with Government Auditing Standards, we have also issued our report dated January 6, 2011, on our consideration of the School Board's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with Government Auditing Standards and should be considered in assessing the results of our audit.

The Management's Discussion and Analysis, Budgetary Comparison Schedules, and Schedule of Funding Progress as listed in the table of contents, are not a required part of the basic financial statements but are supplemental information required by the Governmental Accounting Standards Board. We have applied certain limited procedures, which consisted principally of inquiries of management regarding the methods of measurement and presentation of the required supplemental information. However, we did not audit the information and express no opinion on it.

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the School Board's basic financial statements. The accompanying information identified in the table of contents as supplemental information and the Schedule of Expenditures of Federal Awards, as required by the OMB Circular A-133 are presented for the purpose of additional analysis and are not a required part of the basic financial statements. Such information has been subjected to the auditing procedures applied in the audit of the basic financial statements and, in our opinion, are fairly stated in all material respects in relation to the basic financial statements taken as a whole. The information identified in the table of contents as other information is presented for purposes of additional analysis and is not a required part of the basic financial statements of the School Board. Such information has not been subjected to the auditing procedures applied in the audit of the basic financial statements and, accordingly, we express no opinion on it.

Allen, Green + Williamson, LLP
ALLEN, GREEN & WILLIAMSON, LLP

Monroe, Louisiana
January 6, 2011

REQUIRED SUPPLEMENTAL INFORMATION:

**MANAGEMENT'S DISCUSSION
AND ANALYSIS (MD&A)**

East Carroll Parish School Board
Management's Discussion and Analysis (MD&A)
June 30, 2010

Our discussion and analysis of East Carroll Parish School Board's financial performance provides an overview of the School Board's financial activities for the fiscal year ended June 30, 2010. Please read it in conjunction with the School Board's financial statements that follow this Management's Discussion and Analysis. Amounts presented in the MD&A are in thousands unless otherwise noted.

The Management's Discussion and Analysis (MD&A) is an element of the new reporting model adopted by the Governmental Accounting Standards Board (GASB) in their Statement No. 34 Basic Financial Statements - and Management's Discussion and Analysis - for State and Local Governments issued June 1999.

FINANCIAL HIGHLIGHTS The primary resources available to the School Board are local revenues, which are primarily tax receipts, state revenues that are primarily minimum foundation funding and cost reimbursement grants, and federal revenues which are primarily cost reimbursement grants. Net assets decreased this year by \$2,702 due mainly to the accrual of other post retirement benefits as required by GASB 45, *Accounting for Other Post Retirement Benefits*.

FUND FINANCIAL STATEMENTS Total revenues for all governmental funds increased \$847. The fund balances of all governmental funds decreased \$645. The fund balance of the general fund decreased \$552. Total expenditures in the general fund decreased \$398 mainly because of budget cuts spread over different functions.

The Title I fund balances neither increased nor decreased since it is a cost-reimbursement fund.

Other governmental fund balance decreased \$93.

USING THIS ANNUAL REPORT The School Board's annual report consists of a series of financial statements that show information for the School Board as a whole, its funds, and its fiduciary responsibilities. The Statement of Net Assets and the Statement of Activities provide information about the activities of the School Board as a whole and present a longer-term view of the School Board's finances. Our fund financial statements are included later in this report. For our governmental activities, these statements tell how we financed our services in the short-term as well as what remains for future spending. Fund statements also may give you some insights into the School Board's overall financial health. Fund financial statements also report the School Board's operations in more detail than the government-wide financial statements by providing information about the School Board's most significant funds, the General Fund and Title I. The remaining statement - the Statement of Fiduciary Assets and Liabilities presents financial information about activities for which the School Board acts solely as an agent for the benefit of students and parents.

**East Carroll Parish School Board
Management's Discussion and Analysis (MD&A)
June 30, 2010**

Required Supplemental Information

Management's Discussion & Analysis (MD&A)

Basic Financial Statements

**Government-wide
Financial Statements**



**Fund
Financial Statements**

Notes to the Basic Financial Statements

Required Supplemental Information

Budgetary Information for Major Funds

Supplemental Information

**Nonmajor Funds Combining Statements
Agency Funds Statements/Schedules
Schedule of Compensation Paid Board Members**

Our auditor has provided assurance in his independent auditor's report, located immediately preceding this Management's Discussion and Analysis, that the Basic Financial Statements are fairly stated. Varying degrees of assurance is being provided by the auditor regarding the Required Supplemental Information and the Supplemental Information identified above. A user of this report should read the independent auditor's report carefully to ascertain the level of assurance being provided for each of the other parts in the Financial Section.

Reporting the School Board as a Whole

The Statement of Net Assets and the Statement of Activities

Our analysis of the School Board as a whole begins with the government-wide financial statements. One of the most important questions asked about the School Board is, "Is the School Board as a whole better off or worse off financially as a result of the year's activities?" The Statement of Net Assets and the Statement of Activities, which appear first in the School Board's financial statements, report information on the School Board as a whole and its activities in a way that helps you answer this question. We prepare these statements to include all assets and liabilities, using the accrual basis of accounting, which is similar to the accounting used by most private-sector companies. All of the current year's revenues and expenses are taken into account regardless of when cash is received or paid.

East Carroll Parish School Board
Management's Discussion and Analysis (MD&A)
June 30, 2010

These two statements report the School Board's net assets - the difference between assets and liabilities, as reported in the Statement of Net Assets - as one way to measure the School Board's financial health, or financial position. Over time, increases or decreases in the School Board's net assets - as reported in the Statement of Activities - are one indicator of whether its financial health is improving or deteriorating. The relationship between revenues and expenses is the School Board's operating results. However, the School Board's goal is to provide services to our students, not to generate profits as commercial entities do. One must consider many other non-financial factors, such as the quality of the education provided and the safety of the schools to assess the overall health of the School Board.

The Statement of Net Assets and Statement of Activities report the following activity for the School Board:

Governmental activities - All of the School Board's services are reported here, including instruction, plant services, transportation, and food services. Property taxes, sales taxes, Minimum Foundation Program funds, and state and federal grants finance most of these activities.

Reporting the School Board's Most Significant Funds

Fund Financial Statements

The School Board's fund financial statements provide detailed information about the most significant funds - not the School Board as a whole. Some funds are required to be established by State law and by bond covenants. However, the School Board establishes many other funds to help it control and manage money for particular purposes (like the child nutrition) or to show that it is meeting legal responsibilities for using certain taxes, grants, and other money (like grants the School Board receives from the U.S. Department of Education). The School Board's governmental funds use the following accounting approach:

Governmental funds - All of the School Board's services are reported in governmental funds. Governmental fund reporting focuses on showing how money flows into and out of funds and the balances left at year-end that are available for spending. They are reported using an accounting method called modified accrual accounting, which measures cash and all other financial assets that can readily be converted to cash. The governmental fund statements provide a detailed short-term view of the School Board's operations and the services it provides. Governmental fund information helps you determine whether there are more or fewer financial resources that can be spent in the near future to finance the School Board's programs. We describe the relationship (or differences) between governmental activities (reported in the Statement of Net Assets and the Statement of Activities) and governmental funds in reconciliation on Statements D and F.

The School Board as Trustee

Reporting the School Board's Fiduciary Responsibilities

The School Board is the trustee, or fiduciary, for its student activities funds, and the retirement insurance fund. All of the School Board's fiduciary activities are reported in the Statements of Fiduciary Assets and Liabilities. We exclude these activities from the School Board's other financial statements because the School Board cannot use these assets to finance its operations. The School Board is responsible for ensuring that the assets reported in these funds are used for their intended purposes.

East Carroll Parish School Board
Management's Discussion and Analysis (MD&A)
June 30, 2010

THE SCHOOL BOARD AS A WHOLE The School Board's net assets were \$3,792 at June 30, 2010. Of this amount \$(5,342) was unrestricted. Restricted net assets are reported separately to show legal constraints from debt covenants and enabling legislation that limit the School Board's ability to use those net assets for day-to-day operations. Our analysis below focuses on the net assets, (Table 1) and the change in net assets (Table 2) of the School Board's governmental activities.

Table 1
Net Assets
June 30

	<u>2010</u>	<u>Governmental Activities</u> <u>2009</u>	<u>Variance</u>
Current and other assets	\$ 4,177	\$ 4,893	\$ (716)
Capital assets	<u>7,358</u>	<u>7,314</u>	<u>44</u>
Total assets	<u>11,535</u>	<u>12,207</u>	<u>(672)</u>
Current and other liabilities	1,440	1,515	(75)
Long-term liabilities	<u>6,303</u>	<u>4,198</u>	<u>2,105</u>
Total liabilities	<u>7,743</u>	<u>5,713</u>	<u>2,030</u>
Net assets			
Invested in capital assets, net of debt	6,065	5,921	144
Restricted	3,069	3,563	(494)
Unrestricted	<u>(5,342)</u>	<u>(2,990)</u>	<u>(2,352)</u>
Total net assets	<u>\$ 3,792</u>	<u>\$ 6,494</u>	<u>\$ (2,702)</u>

The \$(5,342) in unrestricted net assets of governmental activities represents accumulated results of all past year's operations. The increase in unrestricted net assets deficit this year is mainly due to the recognition of OPEB costs as required by GASB 45.

The results of this year's operations for the School Board as a whole are reported in the Statement of Activities. Table 2 on the next page, takes the information from that statement and rearranges it slightly so that readers can see total revenues for the year.

East Carroll Parish School Board
Management's Discussion and Analysis (MD&A)
June 30, 2010

Table 2
Changes in Net Assets
For the Year Ended June 30

	<u>2010</u>	<u>Governmental Activities</u> <u>2009</u>	<u>Variance</u>
Revenues:			
Program revenues			
Charges for services	\$ 25	\$ 27	\$ (2)
Federal grants	5,474	4,044	1,430
State grants and entitlements	521	634	(113)
General Revenues			
Ad valorem taxes	577	522	55
Sales taxes	1,571	1,598	(27)
State minimum foundation program	8,650	9,306	(656)
Other general revenues	787	626	161
Total revenues	<u>17,605</u>	<u>16,757</u>	<u>848</u>
Functions/Program Expenses:			
Instruction			
Regular programs	7,509	7,985	(476)
Special programs	1,534	1,579	(45)
Other instructional programs	3,200	2,747	453
Support services			
Student services	911	559	352
Instructional staff support	765	944	(179)
General administration	585	524	61
School administration	1,324	1,274	50
Business services	531	548	(17)
Plant services	1,634	1,678	(44)
Student transportation services	893	850	43
Food Services	1,292	1,358	(66)
Community Services	70	5	65
Interest and bank charges	59	64	(5)
Total expenses	<u>20,307</u>	<u>20,115</u>	<u>192</u>
Changes in net assets	<u>(2,702)</u>	<u>(3,358)</u>	<u>656</u>
Net Assets - beginning	6,494	9,995	(3,501)
Prior period adjustment	-	(143)	143
Net Assets - ending	<u>\$ 3,792</u>	<u>\$ 6,494</u>	<u>\$ (2,702)</u>

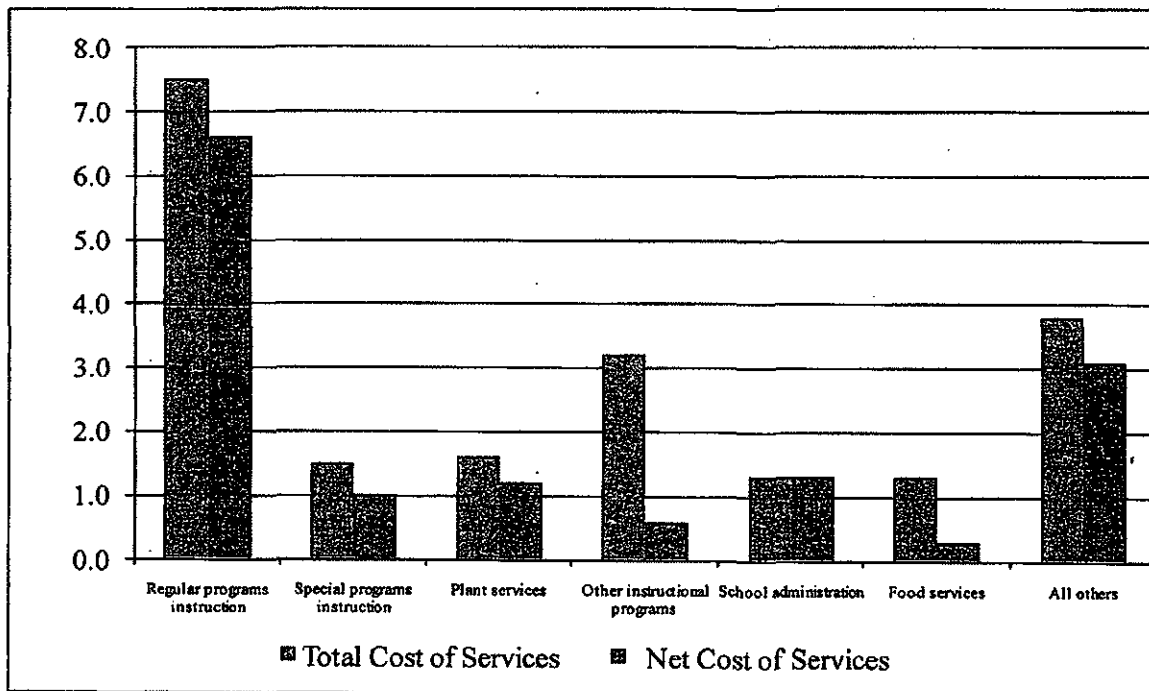
East Carroll Parish School Board
Management's Discussion and Analysis (MD&A)
June 30, 2010

In the table below we have presented the cost of each of the School Board's six largest functions - regular programs, special programs, other instructional programs, plant services, school administration and food services as well as each program's net cost (total cost less revenues generated by the activities). Net cost shows the financial burden that was placed on the School Board's taxpayers by each of these functions. Providing this information allows our citizens to consider the cost of each function in comparison to the benefits they believe are provided by that function.

Year Ended June 30,
Governmental Activities

	2010		2009	
	Total Cost of Services	Net Cost of Services	Total Cost of Services	Net Cost of Services
Regular programs instruction	\$ 7,509	\$ 6,612	\$ 7,985	\$ 7,282
Special programs instruction	1,534	1,032	1,579	1,221
Other instructional programs	3,200	608	2,747	708
School administration	1,324	1,306	1,274	1,253
Plant services	1,634	1,237	1,678	1,667
Food services	1,292	372	1,358	536
All others	3,814	3,120	3,494	2,743
Totals	\$ 20,307	\$ 14,287	\$ 20,115	\$ 15,410

2010 Total Cost of Services
Versus
Net Cost of Services
(in millions)



**East Carroll Parish School Board
Management's Discussion and Analysis (MD&A)**

THE SCHOOL BOARD'S FUNDS As we noted earlier, the School Board uses funds to help it control and manage money for particular purposes. Looking at funds helps you consider whether the School Board is being accountable for the resources taxpayers and others provide to it but may also give you more insight into the School Board's overall financial health.

General Fund Budgetary Highlights As mentioned earlier the School Board revises its budget as it attempts to deal with unexpected changes in revenues and expenditures. (A schedule showing the School Board's original and final budgets compared with actual results is provided in the required supplemental information section of this report.) The final budgeted revenues were increased \$57 due mainly to an expected increase in ad valorem collections. The final budgeted expenditures were decreased \$468 due to budget cuts spread over several functions.

Final results compared to the final amended budget is a difference in revenue of \$85 is the result of an unexpected increase in sales tax collections and erate revenues. The difference of \$198 in actual expenditures compared to final amended budget is a result of conservative spending by the School Board.

CAPITAL ASSET AND DEBT ADMINISTRATION

Capital Assets At June 30, 2010, the School Board had \$7,358 invested in a broad range of capital assets, including land, buildings, and furniture and equipment. This amount represents a net increase (including additions, deductions and depreciation) of just over \$44 or 0.6%, from last year.

Capital Assets at June 30, 2010

	<u>Governmental Activities</u>		
	<u>2010</u>	<u>2009</u>	<u>Variance</u>
Land	\$ 318	\$ 318	\$ -
Contruction in progress	-	-	-
Buildings and improvements	6,142	6,469	(327)
Furniture and equipment	898	527	371
Totals	<u>\$ 7,358</u>	<u>\$ 7,314</u>	<u>\$ 44</u>

Additions for the year consisted of printers, laptops, and cafeteria equipment. See Note 6 to the financial statements for more detailed information on capital assets.

Debt Administration At June 30, 2010, the School Board had \$1,293 in a certificate of indebtedness outstanding maturing in 2020 with a 5.375% interest rate. See Note 12 to the financial statements for more detailed information on long term debt.

ECONOMIC FACTORS AND NEXT YEAR'S BUDGETS AND RATES The major changes anticipated in the 2010-2011 year are retirement rate increase, insurance premium increase, decrease in MFP funding and sales tax collections, and loss of a couple of state and federal funded programs.

East Carroll Parish School Board
Management's Discussion and Analysis (MD&A)

CONTACTING THE SCHOOL BOARD'S FINANCIAL MANAGEMENT Our financial report is designed to provide our citizens, taxpayers, parents, students, and investors and creditors with a general overview of the School Board's finances and to show the School Board's accountability for the money it receives. If you have questions about this report or wish to request additional financial information, contact Theresa Thomas, Business Manager, at East Carroll Parish School Board, P. O. Box 972, Lake Providence, Louisiana 71254-0792, telephone number (318) 559-2222.

East Carroll Parish School Board

BASIC FINANCIAL STATEMENTS:

**GOVERNMENT-WIDE
FINANCIAL STATEMENTS (GWFS)**

EAST CARROLL PARISH SCHOOL BOARD

STATEMENT OF NET ASSETS
June 30, 2010

Statement A

	<u>GOVERNMENTAL ACTIVITIES</u>
ASSETS	
Cash and cash equivalents	\$ 2,569,423
Investments	192,209
Receivables, net	1,409,794
Inventory	5,425
Capital assets:	
Land and construction in progress	318,180
Depreciable capital assets, net of depreciation	<u>7,040,002</u>
TOTAL ASSETS	<u>11,535,033</u>
LIABILITIES	
Accounts, salaries and other payables	1,354,271
Interest payable	54,100
Deferred revenue	31,652
Long-term liabilities	
Due within one year	364,422
Due in more than one year	<u>5,939,019</u>
TOTAL LIABILITIES	<u>7,743,464</u>
NET ASSETS	
Invested in capital assets, net of related debt	6,065,182
Restricted for:	
Salary enhancements	210,842
Salary enhancements and construction and maintenance	2,858,343
Unrestricted	<u>(5,342,798)</u>
TOTAL NET ASSETS	<u>\$ 3,791,569</u>

THE NOTES TO THE BASIC FINANCIAL STATEMENTS ARE AN INTEGRAL PART OF THIS STATEMENT.

EAST CARROLL PARISH SCHOOL BOARD

**STATEMENT OF ACTIVITIES
For the Year Ended June 30, 2010**

Statement B

FUNCTIONS/PROGRAMS	PROGRAM REVENUES			NET (EXPENSE)
	EXPENSES	CHARGES FOR SERVICES	OPERATING GRANTS AND CONTRIBUTIONS	REVENUE AND CHANGES IN NET ASSETS
<i>Governmental activities:</i>				
Instruction:				
Regular programs	\$ 7,509,273		\$ 897,234	\$ (6,612,039)
Special programs	1,534,171		502,641	(1,031,530)
Other instructional programs	3,199,657		2,591,442	(608,215)
Support services:				
Student services	910,700		118,184	(792,516)
Instructional staff support	765,087		319,089	(445,998)
General administration	584,965		221,533	(363,432)
School administration	1,323,506		17,049	(1,306,457)
Business services	531,296		843	(530,453)
Plant services	1,634,323		397,028	(1,237,295)
Student transportation services	892,541		34,600	(857,941)
Food services	1,291,816	24,530	895,386	(371,900)
Community service programs	70,251		0	(70,251)
Interest and bank charges	59,399		0	(59,399)
Total Governmental Activities	<u>20,306,985</u>	<u>24,530</u>	<u>5,995,029</u>	<u>(14,287,426)</u>

General revenues:

Taxes:

Property taxes, levied for general purposes	576,841
Sales taxes, levied for general purposes	1,570,920
State revenue sharing	18,778

Grants and contributions not restricted to specific programs

Minimum Foundation Program	8,649,758
Interest and investment earnings	7,315
Miscellaneous	<u>761,317</u>

Total general revenues 11,584,929

Changes in net assets (2,702,497)

Net assets - beginning 6,494,066

Net assets - ending \$ 3,791,569

THE NOTES TO THE BASIC FINANCIAL STATEMENTS ARE AN INTEGRAL PART OF THIS STATEMENT.

East Carroll Parish School Board

BASIC FINANCIAL STATEMENTS:
FUND FINANCIAL STATEMENTS (FFS)

EAST CARROLL PARISH SCHOOL BOARD

**GOVERNMENTAL FUNDS
Balance Sheet
June 30, 2010**

	Statement C			
	GENERAL	TITLE I	OTHER GOVERNMENTAL	TOTAL
ASSETS				
Cash and cash equivalents	\$ 2,293,244	\$ 0	\$ 276,179	\$ 2,569,423
Investments	192,209	0	0	192,209
Receivables	492,534	568,494	348,766	1,409,794
Interfund receivables	655,782	0	0	655,782
Inventory	0	0	5,425	5,425
TOTAL ASSETS	3,633,769	568,494	630,370	4,832,633
LIABILITIES AND FUND BALANCES				
Liabilities:				
Accounts, salaries and other payables	918,899	131,000	304,372	1,354,271
Interfund payable	0	436,274	219,508	655,782
Deferred revenue	0	1,220	30,432	31,652
Total Liabilities	918,899	568,494	554,312	2,041,705
Fund Balances:				
Reserved for:				
Inventory	0	0	3,975	3,975
Salary enhancements	210,842	0	0	210,842
Unreserved, designated for:				
Salary enhancements and construction and maintenance	2,858,343	0	0	2,858,343
Unreserved, reported in:				
General Fund - Undesignated	(354,315)	0	0	(354,315)
Special Revenue	0	0	19,031	19,031
Capital Projects	0	0	53,052	53,052
Total Fund Balances	2,714,870	0	76,058	2,790,928
TOTAL LIABILITIES AND FUND BALANCES	\$ 3,633,769	\$ 568,494	\$ 630,370	\$ 4,832,633

THE NOTES TO THE BASIC FINANCIAL STATEMENTS ARE AN INTEGRAL PART OF THIS STATEMENT.

EAST CARROLL PARISH SCHOOL BOARD

**Reconciliation of the Governmental Funds
Balance Sheet to the Statement of Net Assets
June 30, 2010**

Statement D

Total fund balances - governmental funds \$ 2,790,928

The cost of capital assets (land, buildings, furniture and equipment) purchased or constructed is reported as an expenditure in governmental funds. The Statement of Net Assets includes those capital assets among the assets of the School Board as a whole. The cost of those capital assets allocated over their estimated useful lives (as depreciation expense) to the various programs reported as governmental activities in the Statement of Activities. Because depreciation expense does not affect financial resources, it is not reported in governmental funds.

Costs of capital assets	\$ 14,405,428	
Depreciation expense to date	<u>(7,047,246)</u>	
		7,358,182

Long-term liabilities applicable to the School Board's governmental activities are not due and payable in the current period and accordingly are not reported as fund liabilities. All liabilities - both current and long term - are reported in the Statement of Net Assets.

Balances at June 30, 2010 are:

Interest payable	(54,100)	
Long-term liabilities		
Certificate of indebtedness	(1,293,000)	
OPEB liability	(4,481,146)	
Compensated absences payable	<u>(529,295)</u>	
		<u>(6,357,541)</u>

Net Assets - Governmental Activities \$ 3,791,569

THE NOTES TO THE BASIC FINANCIAL STATEMENTS ARE AN INTEGRAL PART OF THIS STATEMENT.

EAST CARROLL PARISH SCHOOL BOARD

**GOVERNMENTAL FUNDS
Statement of Revenues, Expenditures,
and Changes in Fund Balances
June 30, 2010**

	Statement E			
	GENERAL	TITLE I	OTHER GOVERNMENTAL	TOTAL
REVENUES				
Local sources:				
Taxes:				
Ad valorem	\$ 576,841	\$ 0	\$ 0	\$ 576,841
Sales and use	1,570,920	0	0	1,570,920
Interest earnings	7,136	0	179	7,315
Food services	0	0	24,530	24,530
Other	760,353	0	964	761,317
State sources:				
Equalization	8,470,333	0	179,425	8,649,758
Other	136,777	0	403,110	539,887
Federal sources	0	2,809,981	2,663,939	5,473,920
Total Revenues	11,522,360	2,809,981	3,272,147	17,604,488
EXPENDITURES				
Current:				
Instruction:				
Regular programs	5,387,641	687	808,414	6,196,742
Special programs	863,770	0	442,450	1,306,220
Other instructional programs	472,798	2,294,862	337,801	3,105,461
Support services:				
Student services	478,564	0	224,508	703,072
Instructional staff support	363,563	241,523	77,199	682,285
General administration	238,121	168,740	53,035	459,896
School administration	1,166,092	0	17,049	1,183,141
Business services	488,363	0	843	489,206
Plant services	1,426,531	0	8,983	1,435,514
Student transportation services	754,746	0	32,855	787,601
Food services	84,163	0	1,059,504	1,143,667
Community services	2,648	0	0	2,648
Capital outlay	183,706	241,961	165,040	590,707
Debt Service:				
Principal	100,000	0	0	100,000
Interest and bank charges	63,586	0	0	63,586
Total Expenditures	12,074,292	2,947,773	3,227,681	18,249,746
EXCESS (Deficiency) OF REVENUES OVER EXPENDITURES	\$ (551,932)	\$ (137,792)	\$ 44,466	\$ (645,258)

(CONTINUED)

EAST CARROLL PARISH SCHOOL BOARD

**GOVERNMENTAL FUNDS
Statement of Revenues, Expenditures,
and Changes in Fund Balances
June 30, 2010**

	Statement E			
	GENERAL	TITLE I	OTHER GOVERNMENTAL	TOTAL
OTHER FINANCING SOURCES (USES)				
Transfers in	\$ 0	\$ 137,792	\$ 0	\$ 137,792
Transfers out	0	0	(137,792)	(137,792)
Total Other Financing Other Uses	0	137,792	(137,792)	0
Net Change in Fund Balances	(551,932)	0	(93,326)	(645,258)
FUND BALANCES - BEGINNING	3,266,802	0	169,384	3,436,186
FUND BALANCES - ENDING	\$ 2,714,870	\$ 0	\$ 76,058	\$ 2,790,928

(CONCLUDED)

THE NOTES TO THE BASIC FINANCIAL STATEMENTS ARE AN INTEGRAL PART OF THIS STATEMENT.

EAST CARROLL PARISH SCHOOL BOARD

**Reconciliation of the Governmental Funds
Statement of Revenues, Expenditures, and Changes in Fund Balances
to the Statement of Activities
For the Year Ended June 30, 2010**

Statement F

Total net change in fund balances - governmental funds	\$	(645,258)
--	----	-----------

Amounts reported for governmental activities in the Statement of Activities are different because:

Capital outlays are reported in governmental funds as expenditures. However, in the Statement of Activities, the cost of those assets is allocated over their estimated useful lives as depreciation expense. This is the amount by which capital outlays exceeds depreciation expense in the period:

Depreciation expense	\$ (548,115)	
Capital outlay additions	590,707	44,592

In the Statement of Activities, certain operating expenses-compensated absences (vacations and sick leave) - are measured by the amounts earned during the year. In the governmental funds, however, expenditures for these items are measured by the amount of financial resources used (essentially, the amounts actually paid). This year, vacation and sick time earned \$327,193 exceeded the amounts used \$259,422 by \$67,771.		(67,771)
--	--	----------

In the Statement of Activities, certain operating expenses-other post employment benefits - are measured by the amounts earned during the year. In the governmental funds, however, expenditures for these items are measured by the amount of financial resources used (essentially, the amounts actually paid). This year, the annual required contribution of \$2,620,167 exceeded the amounts paid \$481,920 by \$2,138,877.		(2,138,247)
--	--	-------------

Repayment of bond principal is an expenditure in the governmental funds, but the repayment reduces long-term liabilities in the Statement of Net Assets.		100,000
--	--	---------

Interest on long-term debt in the Statement of Activities differs from the amount reported in the governmental funds because interest is recognized as an expenditure in the funds when it is due, and thus requires the use of current financial resources. In the Statement of Activities, however, interest expense is recognized as the interest accrues, regardless of when it is due.		4,187
---	--	-------

Change in net assets of governmental activities	\$	<u>(2,702,497)</u>
---	----	--------------------

THE NOTES TO THE BASIC FINANCIAL STATEMENTS ARE AN INTEGRAL PART OF THIS STATEMENT.

EAST CARROLL PARISH SCHOOL BOARD

FIDUCIARY FUND
STATEMENT OF FIDUCIARY ASSETS AND LIABILITIES
June 30, 2010

Statement G

	AGENCY FUND
ASSETS	
Cash and cash equivalents	\$ 203,469
Total assets	203,469
LIABILITIES	
Deposits due others	203,469
Total liabilities	\$ 203,469

THE NOTES TO THE BASIC FINANCIAL STATEMENTS ARE AN INTEGRAL PART OF THIS STATEMENT.

East Carroll Parish School Board
Notes to the Basic Financial Statements
June 30, 2010

<u>Index</u>	<u>Page</u>
NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES	23
A. REPORTING ENTITY	23
B. FUNDS	23
Governmental Funds	23
Fiduciary Funds	24
C. MEASUREMENT FOCUS AND BASIS OF ACCOUNTING	24
Governmental Funds	25
Fiduciary Funds	25
D. CASH AND CASH EQUIVALENTS	25
E. INVESTMENTS	26
F. SHORT-TERM INTERFUND RECEIVABLES/PAYABLES	26
G. INVENTORIES	26
H. CAPITAL ASSETS	26
I. DEFERRED REVENUES	26
J. COMPENSATED ABSENCES	27
K. RESTRICTED NET ASSETS	27
L. FUND EQUITY OF FUND FINANCIAL STATEMENTS	27
M. INTERFUND TRANSACTIONS	27
N. SALES TAXES	28
O. BUDGETS	28
P. USE OF ESTIMATES	29
Q. ELIMINATIONS AND RECLASSIFICATIONS	29
NOTE 2 - STEWARDSHIP, COMPLIANCE, AND ACCOUNTABILITY	29
NOTE 3 - LEVIED TAXES	29
NOTE 4 - DEPOSITS AND INVESTMENTS	31
NOTE 5 - RECEIVABLES	31
NOTE 6 - CAPITAL ASSETS	32
NOTE 7 - RETIREMENT SYSTEMS	32
NOTE 8 - OTHER POST EMPLOYMENT BENEFITS	34
NOTE 9 - ACCOUNTS, SALARIES AND OTHER PAYABLES	36
NOTE 10 - COMPENSATED ABSENCES	36
NOTE 11 - AGENCY FUND DEPOSITS DUE OTHERS	36
NOTE 12 - LONG-TERM LIABILITIES	36
NOTE 13 - INTERFUND TRANSACTIONS (FFS LEVEL ONLY)	37
NOTE 14 - RISK MANAGEMENT	38
NOTE 15 - LITIGATION AND CLAIMS	38
NOTE 16 - ON-BEHALF PAYMENTS FOR FRINGE BENEFITS AND SALARIES	38
NOTE 17 - RESERVED FUND BALANCES (FFS LEVEL ONLY)	38
NOTE 18 - ECONOMIC DEPENDENCY	38
NOTE 19 - CHANGES IN PRESENTATION	38

East Carroll Parish School Board
Notes to the Basic Financial Statements
June 30, 2010

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES The accompanying basic financial statements of the East Carroll Parish School Board have been prepared in conformity with accounting principles generally accepted in the United States of America (GAAP) as applied to governmental units. The Governmental Accounting Standards Board (GASB) is the accepted standard-setting body for establishing governmental accounting and financial reporting principles.

A. REPORTING ENTITY The East Carroll Parish School Board was created by Louisiana Revised Statute LSA-R.S. 17:51 to provide public education for the children within East Carroll Parish. The School Board is authorized by LSA-R.S. 17:81 to establish policies and regulations for its own government consistent with the laws of the state of Louisiana and the regulations of the Louisiana Board of Elementary and Secondary Education. The School Board is comprised of nine members who are elected from nine districts for terms of four years.

The School Board operates six schools within the parish with a total enrollment of approximately 1306 pupils. In conjunction with the regular educational programs, some of these schools offer special education and/or adult education programs. In addition, the School Board provides transportation and school food services for the students.

GASB Statement 14 establishes criteria for determining the governmental reporting entity and component units that should be included within the reporting entity. Under provisions of this Statement, the School Board is considered a *primary government*, since it is a special-purpose government that has a separately elected governing body, is legally separate, and is fiscally independent of other state or local governments. As used in GASB Statement 14, fiscally independent means that the School Board may, without the approval or consent of another governmental entity, determine or modify its own budget, levy its own taxes or set rates or charges, and issue bonded debt. The School Board also has no component units, defined by GASB Statement 14 as other legally separate organizations for which the elected School Board members are financially accountable. There are no other primary governments with which the School Board has a significant relationship.

B. FUNDS The accounts of the School Board are organized and operated on the basis of funds. A fund is an independent fiscal and accounting entity with a self-balancing set of accounts. Fund accounting segregates funds according to their intended purpose and is used to aid management in demonstrating compliance with finance-related legal and contractual provisions. The minimum number of funds are maintained consistent with legal and managerial requirements.

A fund is a separate accounting entity with a self-balancing set of accounts. Funds of the School Board are classified into two categories: governmental and fiduciary. In turn, each category is divided into separate fund types. The fund classifications and a description of each existing fund type follow:

Governmental Funds Governmental funds are used to account for the School Board's general government activities, including the collection and disbursement of specific or legally restricted monies and the acquisition or construction of general capital assets. The School Board reports the following major governmental funds:

General Fund The primary operating fund of the School Board. It accounts for all financial resources of the School Board, except those required to be accounted for in other funds.

Title I This program is designed to improve the educational opportunities of educationally deprived children by helping them succeed in the regular school program, attain grade level proficiency and improve achievement in basic and more advanced skills. Services supplement, not supplant, those normally provided by state and local educational agencies.

East Carroll Parish School Board
Notes to the Basic Financial Statements
June 30, 2010

Fiduciary Funds Fiduciary funds account for assets held by the government in a trustee capacity or as an agent on behalf of outside parties, including other governments, or on behalf of other funds within the School Board.

Agency funds are custodial in nature (assets equal liabilities) and do not present results of operations or have a measurement focus. They are used to account for assets that the government holds for others in an agency capacity. These agency funds are as follows:

School activities fund - accounts for assets held by the School Board as an agent for the individual schools and school organizations.

Retirement insurance fund - accounts for assets held by the School Board as an agent for individual retirees of the School Board.

C. MEASUREMENT FOCUS AND BASIS OF ACCOUNTING

Government-Wide Financial Statements (GWFS) The Statement of Net Assets and the Statement of Activities displays information about the reporting government as a whole. Fiduciary funds are not included in the GWFS. Fiduciary funds are reported only in the Statement of Fiduciary Assets and Liabilities at the fund financial statement level.

The Statement of Net Assets and the Statement of Activities was prepared using the economic resources measurement focus and the accrual basis of accounting. Revenues, expenses, gains, losses, assets, and liabilities resulting from exchange and exchange-like transactions are recognized when the exchange takes place. Revenues, expenses, gains, losses, assets, and liabilities resulting from nonexchange transactions are recognized in accordance with the requirements of GASB Statement No. 33 Accounting and Financial Reporting for Nonexchange Transactions.

Program revenues Program revenues include 1) charges for services provided, 2) operating grants and contributions, and 3) capital grants and contributions; program revenues reduce the cost of the function to be financed from the School Board's general revenues. Charges for services are primarily derived from cafeteria sales. Operating grants and contributions consist of the many educational grants received from the federal and state government.

Allocation of indirect expenses The School Board reports all direct expenses by function in the Statement of Activities. Direct expenses are those that are clearly identifiable with a function. Depreciation expense is specifically identified by function and is included in the direct expense of each function. Interest on general long-term debt is considered an indirect expense and is reported separately in the Statement of Activities. Other indirect expenses are not allocated.

**East Carroll Parish School Board
Notes to the Basic Financial Statements
June 30, 2010**

Fund Financial Statements (FFS)

Governmental Funds The accounting and financial reporting treatment applied to a fund is determined by its measurement focus. Governmental fund types use the flow of current financial resources measurement focus and the modified accrual basis of accounting. Under the modified accrual basis of accounting revenues are recognized when susceptible to accrual (i.e., when they are "measurable and available"). "Measurable" means the amount of the transaction can be determined and "available" means collectible within the current period or soon enough thereafter to pay liabilities of the current period. The government considers all revenues available if they are collected within 60 days after year-end. Expenditures are recorded when the related fund liability is incurred, except for unmatured interest on general long-term debt which is recognized when due, and certain compensated absences and claims and judgments which are recognized when the obligations are expected to be liquidated with expendable available financial resources.

With this measurement focus, only current assets and current liabilities are generally included on the balance sheet. Operating statements of these funds present increases and decreases in net current assets. The governmental funds use the following practices in recording revenues and expenditures:

Revenues

Ad valorem and sales taxes are susceptible to accrual.

Entitlements and shared revenues (which include state equalization and state revenue sharing) are recorded as unrestricted grants-in-aid at the time of receipt or earlier if the susceptible to accrual criteria are met. Expenditure-driven grants are recognized as revenue when the qualifying expenditures have been incurred and all other grant requirements have been met.

Other receipts become measurable and available when cash is received by the School Board and are recognized as revenue at that time.

Expenditures

Salaries are recorded as paid. Salaries for nine-month employees are accrued at June 30.

Substantially all other expenditures are recognized when the related liability has been incurred.

Other financing sources (Uses) Capital lease transactions, sale of fixed assets, debt extinguishments, long-term debt proceeds and transfers between funds that are not expected to be repaid are accounted for as other financing sources (uses). These other financing sources (uses) are recognized at the time the underlying events occur.

Fiduciary Funds The agency funds are custodial in nature and do not present results of operations or have a measurement focus. Agency funds are accounted for using the accrual basis of accounting.

D. CASH AND CASH EQUIVALENTS Cash includes amounts in demand deposits, interest-bearing demand deposits, and money market accounts. Cash equivalents include amounts in time deposits and those investments with original maturities of 90 days or less. Under state law, the School Board may deposit funds in demand deposits, interest-bearing demand deposits, or time deposits with state banks organized under Louisiana law and national banks having their principal offices in Louisiana.

East Carroll Parish School Board
Notes to the Basic Financial Statements
June 30, 2010

E. INVESTMENTS Investments are limited by R.S. 33:2955 and the School Board's investment policy. If the original maturities of investments exceed 90 days, they are classified as investments; however, if the original maturities are 90 days or less, they are classified as cash equivalents. The investments are reflected at quoted market prices except for the following which are permitted per GASB Statement No. 31:

Investments in nonparticipating interest-earning contracts, such as nonnegotiable certificates of deposit with redemption terms that do not consider market rates, are reported using a cost-based measure.

Definitions:

Interest-earning investment contracts include time deposits with financial institutions (such as certificates of deposit), repurchase agreements, and guaranteed investment contracts.

F. SHORT-TERM INTERFUND RECEIVABLES/PAYABLES During the course of operations, numerous transactions occur between individual funds for services rendered. These receivables and payables are classified as interfund receivables/payables on the balance sheet. Short-term interfund loans are also classified as interfund receivables/payables.

G. INVENTORIES Inventories of the governmental fund type financial statements are recorded as expenditures as purchased except for inventory of the child nutrition fund.

Inventory of the child nutrition special revenue fund consists of food purchased by the School Board and commodities granted by the United States Department of Agriculture through the Louisiana Department of Agriculture and Forestry. The commodities are recorded as revenues when received; however, all inventory items are recorded as expenditures when consumed. Unused commodities at June 30, 2010, are reported as deferred revenue. All purchased inventory items are valued at cost (first in, first out) and commodities are assigned values provided by the United States Department of Agriculture.

H. CAPITAL ASSETS Capital assets are recorded at historical cost or estimated historical cost if purchased or constructed and depreciated over their estimated useful lives (including salvage value). The capitalization threshold is \$5,000 for all assets except intangibles – software that has a capitalization threshold of \$250,000. Donated capital assets are recorded at their estimated fair value at the date of donation. Estimated useful life is management's estimate of how long the asset is expected to meet service demands. Straight-line depreciation is used based on the following estimated useful lives:

Buildings and improvements	10 - 40 years
Furniture and equipment	3 - 10 years
Intangibles – software	3 years

In 2010, the School Board implemented GASB 51, *Accounting and Financial Reporting for Intangible Assets*. Although the School Board's implementation was retroactive, the School Board had no intangibles that met the capitalization threshold as of June 30, 2009.

I. DEFERRED REVENUES The School Board reports deferred revenues on its combined balance sheet. Deferred revenues arise when resources are received by the School Board before it has a legal claim to them, as when grant monies are received prior to the occurrence of qualifying expenditures. In subsequent periods, when the School Board has a legal claim to the resources, the liability for deferred revenue is removed from the combined balance sheet and the revenue is recognized.

East Carroll Parish School Board
Notes to the Basic Financial Statements
June 30, 2010

J. COMPENSATED ABSENCES The School Board has the following policies for vacation and sick leave:

All 12-month employees earn 10 days of vacation leave each year. Vacations must be taken during the fiscal year or otherwise forfeited. All School Board employees earn 10 days of sick leave each year. Sick leave may be accumulated and carried forward to succeeding years without limitation. Upon retirement or death, unused accumulated sick leave of up to 25 days is paid to the employee or to the employee's estate at the employee's current rate of pay. Under the Louisiana Teachers' Retirement System and the Louisiana School Employees' Retirement System, all unpaid sick leave is used in the retirement benefit computation as earned service.

The School Board's recognition and measurement criterion for compensated absences follows:

Vacation leave and other compensated absences with similar characteristics are accrued as a liability as the benefits are earned by the employees when both of the following conditions are met:

- A. The employees' rights to receive compensation are attributable to services already rendered.
- B. It is probable that the employer will compensate the employees for the benefits through paid time off or some other means, such as cash payments at termination or retirement.

The liability for sick leave is based on the sick leave accumulated at the balance sheet date by those employees who currently are eligible to receive termination payments as well as other employees who are expected to become eligible in the future to receive such payments.

K. RESTRICTED NET ASSETS For the government-wide statement of net assets, net assets are reported as restricted when constraints placed on net asset use are either:

Externally imposed by creditors (such as debt covenants), grantors, contributors, or laws or regulations of other governments;

Imposed by law through constitutional provisions or enabling legislation.

When both restricted and unrestricted resources are available for use, it is the government's policy to use unrestricted resources first, then restricted resources as they are needed. Restricted net assets reported in the statement of net assets is restricted through enabling legislation.

L. FUND EQUITY OF FUND FINANCIAL STATEMENTS

Reserves Reserves represent those portions of fund equity not appropriable for expenditures or legally segregated for a specific purpose.

Designated fund balances Designated fund balances represent tentative management plans for future use of financial resources that are subject to change.

M. INTERFUND TRANSACTIONS Quasi-external transactions are accounted for as revenues or expenditures. Transactions that constitute reimbursements to a fund for expenditures, initially made from it that are properly applicable to another fund, are recorded as expenditures in the reimbursing fund and as deductions of expenditures in the fund that is reimbursed.

East Carroll Parish School Board
Notes to the Basic Financial Statements
June 30, 2010

All other interfund transactions, except quasi-external transactions and reimbursements, are reported as transfers. Nonrecurring or nonroutine permanent transfers of equity are reported as residual equity transfers. All other interfund transfers are reported as operating transfers.

N. SALES TAXES The East Carroll Parish School Board has three sales tax ordinances as follows:

The School Board has a one-percent parish-wide sales and use tax as authorized in a special election held December 1967. In accordance with the proposition approved by the voters of the parish, the net proceeds of the tax are to be used exclusively to supplement the payment of salaries for teachers in the public elementary and secondary schools of the parish and/or for the expenses of operating the schools. Such operating expenses include payment of salaries of other personnel employed by the School Board.

The School Board also has an additional one percent sales and use tax as authorized in a special election held July 17, 1993. In accordance with the proposition approved by voters of the Parish, the net proceeds of the tax are to be used for the purpose of salary enhancement for teachers and other employees of the School Board, to be divided annually on an equal basis among all employees.

In October 1998, voters approved a new one-percent sales and use tax. In accordance with the proposition approved by the voters of the parish, the net proceeds of the tax are to be used for salary enhancements for teachers and other employees of the School Board, construction, improvement, and maintenance of schools.

O. BUDGETS

General Budget Practices The School Board follows these procedures in establishing the budgetary data reflected in the combined financial statements:

State statute requires budgets to be adopted for the general fund and all special revenue funds.

Each year prior to September, the Superintendent submits to the Board proposed annual budgets for the general fund and special revenue funds' budgets that are not grant oriented. Public hearings are conducted, prior to the Board's approval, to obtain taxpayer comments. Grant funds are included in special revenue funds and their budgets are adopted at the time the grant applications are approved by the governor. The operating budgets include proposed expenditures and the means of financing them.

Appropriations (unexpended budget balances) lapse at year-end.

Formal budget integration (within the accounting records) is employed as a management control device. All budgets are controlled at the function level. Budget amounts included in the accompanying financial statements include the original adopted budget and all subsequent amendments. These revisions were considered insignificant by the Board.

Encumbrances Encumbrance accounting, under which purchase orders are recorded in order to reserve that portion of the applicable appropriation, is not employed. However, outstanding purchase orders are taken into consideration before expenditures are incurred in order to assure that applicable appropriations are not exceeded.

Budget Basis of Accounting All governmental funds' budgets are prepared on the modified accrual basis of accounting, a basis consistent with accounting principles generally accepted in the United States of America (GAAP). Budgeted amounts are originally adopted or amended by the Board. Legally, the Board must adopt a balanced budget; that is, total budgeted revenues and other financing sources including fund balance must equal or exceed total budgeted expenditures and other financing uses. State statutes require the Board to amend its budgets when revenues

East Carroll Parish School Board
Notes to the Basic Financial Statements
June 30, 2010

plus projected revenues within a fund are expected to be less than budgeted revenues by five percent or more and/or expenditures within a fund are expected to exceed budgeted expenditures by five percent or more. The School Board approves budgets at the function level and management can transfer amounts between line items within a function.

P. USE OF ESTIMATES The preparation of financial statements in conformity with accounting principles generally accepted in the United States of America requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statement and the reported amounts of revenues and expenditures during the reporting period. Actual results could differ from those estimates.

Q. ELIMINATIONS AND RECLASSIFICATIONS In the process of aggregating data for the statement of net assets and the statement of activities, some amounts reported as interfund activity and balances in the funds were eliminated or reclassified.

Interfund receivables and payables were eliminated to minimize the "grossing up" effect on assets and liabilities within the governmental activities column.

NOTE 2 - STEWARDSHIP, COMPLIANCE, AND ACCOUNTABILITY

DEFICIT FUND BALANCE

The following individual funds had a deficit fund balance at June 30, 2010:

	<u>Deficit Fund Balance</u>
Educational Excellence	\$23,328
Other miscellaneous	919

The deficit fund balance will be cleared by a transfer from the general fund.

NOTE 3 - LEVIED TAXES The School Board levies taxes on real and business personal property located within East Carroll Parish's boundaries. Property taxes are levied by the School Board on property values assessed by the East Carroll Parish Tax Assessor and approved by the state of Louisiana Tax Commission.

The East Carroll Parish Sheriff's Office bills and collects property taxes for the School Board. Collections are remitted to the School Board monthly.

Property Tax Calendar

Millage rates adopted	August 2009
Levy date	August 2009
Tax bills mailed	On or about November 1, 2009
Due date	December 31, 2009
Lien date	January 1, 2010

East Carroll Parish School Board
Notes to the Basic Financial Statements
June 30, 2010

Assessed values are established by the East Carroll Parish Tax Assessor each year on a uniform basis at the following ratios of assessed value to fair market value:

10% land	15% machinery
10% residential improvements	15% commercial improvements
15% industrial improvements	25% public service properties, excluding land

A revaluation of all property is required after 1978 to be completed no less than every four years. The last revaluation was completed for the roll of January 1, 2007. Total assessed value was \$42,850,399 in calendar year 2009. Louisiana state law exempts the first \$75,000 of assessed value of a taxpayer's primary residence from parish property taxes. This homestead exemption was \$5,705,110 of the assessed value in calendar year 2009.

State law requires the Sheriff to collect property taxes in the calendar year in which the assessment is made. Property taxes become delinquent January 1 of the following year. If taxes are not paid by the due date, taxes bear interest at the rate of 1.25% per month until the taxes are paid. After notice is given to the delinquent taxpayers, the Sheriff is required by the *Constitution of the State of Louisiana* to sell the least quantity of property necessary to settle the taxes and interest owed.

All property taxes are recorded in the general fund. Revenues are recognized in the accounting period in which they become measurable and available. Property taxes are considered measurable in the calendar year of the tax levy. Estimated uncollectible taxes are those taxes based on past experience which will not be collected in the subsequent year and are primarily due to subsequent adjustments to the tax roll. Available means due, or past due, and receivable within the current period and collected within the current period or expected to be collected soon enough thereafter to pay liabilities of the current period. The remaining property taxes receivable are considered available because they are substantially collected within 60 days subsequent to year-end.

The tax roll is prepared by the parish tax assessor in November of each year. The collection of the 2009 property taxes occurs in December, and January and February of the next year. As a result, no property taxes receivable for 2009 taxes is included on the accompanying balance sheet because it is not available within 60 days of the School Board's year-end.

Historically, virtually all ad valorem taxes receivable were collected since they are secured by property. Therefore, there is no allowance for uncollectible taxes.

The following is a summary of authorized and levied (tax rate per \$1,000 Assessed Value) ad valorem taxes:

	<u>Authorized Millage</u>	<u>Levied Millage</u>	<u>Expiration Date</u>
Parish-wide taxes:			
Constitutional	6.73	7.40	Statutory
Maintenance and operation	6.98	7.42	2010

East Carroll Parish School Board
Notes to the Basic Financial Statements
June 30, 2010

NOTE 4 - DEPOSITS AND INVESTMENTS At June 30, 2010, the School Board has cash and cash equivalents (book balances) as follows:

Interest-bearing demand deposits:	
Statement A - Cash	\$ 2,569,423
Statement A - Investments (Time Deposits)	192,209
Statement G	203,469
Total deposits	<u>2,965,101</u>
Less: Time deposits classified as investments	<u>192,209</u>
Total cash and cash equivalents	<u><u>\$ 2,772,892</u></u>

These deposits are stated at cost, which approximates market. Under state law, these deposits (or the resulting bank balances) must be secured by federal deposit insurance or the pledge of securities owned by the fiscal agent bank. The market value of the pledged securities plus the federal deposit insurance must at all times equal the amount on deposit with the fiscal agent. These securities are held in the name of the pledging fiscal agent bank in a holding or custodial bank that is mutually acceptable to both parties.

Interest Rate Risk: The School Board's policy does not address interest rate risk.

Credit Rate Risk: The School Board's investments are in Certificates of Deposits, which do not have credit ratings; however, the School Board's policy does not address credit rate risk.

Custodial Credit Risk-Deposits and Investments: At year-end, the School Board's carrying amount of deposits was \$2,965,101 (including \$192,209 in certificates of deposit classified as investments) and the bank balance was \$4,320,056. Of the bank balance, \$4,320,056 was covered by federal depository insurance or by collateral held by the School Board's agent in the School Boards' name.

NOTE 5 - RECEIVABLES The receivables at June 30, 2010, are as follows:

	General	Title I	Other Governmental	Total
Taxes:				
Sales tax	\$ 138,023	\$ -	\$ -	\$ 138,023
Intergovernmental -				
Federal	-	568,494	274,364	842,858
State	13,772	-	71,900	85,672
Other	340,739	-	2,502	343,241
Total	<u>\$ 492,534</u>	<u>\$ 568,494</u>	<u>\$ 348,766</u>	<u>\$ 1,409,794</u>

The School Board expects to collect these balances in full; therefore, no allowance for doubtful accounts was established.

East Carroll Parish School Board
Notes to the Basic Financial Statements
June 30, 2010

NOTE 6 - CAPITAL ASSETS Capital asset balances and activity for the year ended June 30, 2010 is as follows:

	<u>Balance Beginning</u>	<u>Additions</u>	<u>Deletions</u>	<u>Balance Ending</u>
Governmental activities				
Capital assets not being depreciated:				
Land	\$ 318,180	\$ -	\$ -	\$ 318,180
Construction in progress	-	-	-	-
Total Capital assets not being depreciated	318,180	-	-	318,180
Capital assets, being depreciated:				
Buildings and improvements	10,539,370	-	-	10,539,370
Furniture and equipment	2,962,095	590,707	4,924	3,547,878
Total capital assets being depreciated.	13,501,465	590,707	4,924	14,087,248
Less accumulated depreciation				
Buildings	4,071,120	326,089	-	4,397,209
Furniture and equipment	2,434,935	220,026	4,924	2,650,037
Total accumulated depreciation	6,506,055	546,115	4,924	7,047,246
Depreciable capital assets, net	6,995,410	44,592	-	7,040,002
Governmental activities, capital assets, net	<u>\$7,313,590</u>	<u>\$ 44,592</u>	<u>\$ -</u>	<u>\$ 7,358,182</u>

Depreciation expense was charged to governmental activities as follows:

	<u>Amount</u>
Regular programs	\$ 353,329
Special programs	21,976
Other instructional programs	23,843
Instructional Staff Support	106
General Administration	1,044
School administration	26,186
Business services	371
Plant services	5,738
Student transportation services	64,158
Food services	44,903
Student services	4,461
Total depreciation expense	<u>\$ 546,115</u>

NOTE 7 - RETIREMENT SYSTEMS

Plan description Substantially all School Board employees participate in either the Teachers' Retirement System or the School Employees' Retirement System (the Systems), which are cost-sharing, multiple-employer public employee retirement systems (PERS). Benefit provisions are ultimately approved and amended by the Louisiana Legislature.

Participation in the Teachers' Retirement System is divided into two plans - the Teachers' Regular Plan and the Teachers' Plan A. In general, professional employees (such as teachers and principals) and lunchroom workers are members of the Louisiana Teachers' Retirement System (TRS); other employees, such as custodial personnel and bus drivers, are members of the Louisiana School Employees' Retirement System (LSERS). Generally, all full-time employees are eligible to participate in the system.

East Carroll Parish School Board
Notes to the Basic Financial Statements
June 30, 2010

With respect to the Teachers' Retirement System Regular Plan, normal retirement is at age 60 with five years of service, or at any age with 20 years of service. The formula for annual maximum retirement benefits is generally two percent (with less than 25 years of service) or 2.5 percent (with 25 or more years of service) times the years of creditable service times the average salary of the 36 highest successive months (plus \$300 applicable to persons becoming members prior to July 1, 1986).

Under the Teachers' Retirement System Plan A, normal retirement is generally at any age with 30 or more years of creditable service, at age 55 with at least 25 years of creditable service and at age 60 with at least 10 years of creditable service. The retirement benefit formula is generally three percent times the years of creditable service times the average salary of the 36 highest successive months plus \$24 per year of service.

Employees participating in the School Employees' Retirement System are eligible for normal retirement after 30 years of service, or after 25 years of service at age 55 or after 10 years of service at age 60. The maximum retirement allowance is computed at 3 1/3 percent times the highest 36 months of average salary, times the years of service plus a supplement of \$2.00 per month times the years of service.

Both TRS and LSERS issue annual financial reports. The reports can be obtained by telephoning or writing to the following:

Teachers' Retirement System of Louisiana
Post Office Box 94123
Baton Rouge, Louisiana 70804-9123
(225) 925-6446

Louisiana School Employees' Retirement System
Post Office Box 44516
Baton Rouge, Louisiana 70804
(225) 925-6484

Funding Policy Each system is administered and controlled at the state level by a separate board of trustees, with contribution rates approved and amended by the Louisiana Legislature. Benefits of the systems are funded by employee and employer contributions. Benefits granted by the retirement systems are guaranteed by the state of Louisiana under provisions of the Louisiana Constitution of 1974. The School Board's employer contribution for the TRS, as provided by state law, is funded through annual appropriations, by deductions from local ad valorem taxes, and by remittances from the School Board. For the LSERS, the School Board's employer contribution is funded by annual appropriations.

In addition, the employer does not remit to the Teachers' Retirement System, Regular Plan or Plan A, the employer's contribution for the professional improvement program (PIP) portion of payroll. The PIP contribution is made directly to the Retirement System by the state of Louisiana.

Contribution rates (as a percentage of covered salaries) for active plan members as established by the Louisiana Legislature for the year ended June 30, 2010, are as follows:

	<u>Employee</u>	<u>Employer</u>
Louisiana Teachers' Retirement System:		
Regular	8.0%	15.5%
Plan A	9.1%	15.5%
Louisiana School Employees' Retirement System	7.5%	17.6%

East Carroll Parish School Board
Notes to the Basic Financial Statements
June 30, 2010

Total covered payroll of the School Board for TRS - Regular Plan, TRS - Plan A, and LSERS for the year ended June 30, 2010, amounted to \$8,121,255, \$33,716, and \$552,575, respectively. Employer contributions for the year ended June 30, 2010, and each of the two preceding years are as follows:

<u>Fiscal Year Ended</u>	<u>TRS</u>	<u>LSERS</u>
June 30, 2008	\$ 1,273,708	\$ 114,984
June 30, 2009	1,296,750	115,284
June 30, 2010	1,264,109	97,116

The required contributions were made.

NOTE 8 - OTHER POST EMPLOYMENT BENEFITS Effective with the fiscal year ended June 30, 2009, the School Board implemented Government Accounting Standards Board Statement Number 45, Accounting and Financial Reporting by Employers for Post Employment Benefits Other than Pensions (GASB 45).

Plan description - In accordance with state statutes, the School Board provides certain continuing health care and life insurance benefits for its retired employees on a pay-as-you-go basis. The School Board OPEB plan is a single-employer defined benefit "substantive plan" as understood by past practices of the School Board and its employees. Although no written plan or trust currently exists or is sanctioned by law, the OPEB plan is reported based on communication to plan members. Also no stand-alone report was prepared. Substantially all of the School Board's employees become eligible for these benefits if they reach normal retirement age while working for the School Board. These benefits and similar benefits for active employees are provided through the Office of Group Benefits, whose monthly premiums are paid jointly by the employee and the School Board.

Funding Policy - The contribution requirements of plan members and the School Board are established and may be amended by LRS 42:801-883. Employees do not contribute to their post employment benefits cost until they become retirees and begin receiving those benefits. The retirees contribute to the cost of retiree healthcare based on a rate schedule. Contribution amounts are approximately 25% retiree/75% employer of the stated costs of healthcare coverage.

The plan is currently financed on a "pay as you go basis", with the School Board contributing \$481,920 for 64 retirees for the year ended June 30, 2010.

Annual Other Post Employment Benefit Cost and Liability - The School Board's Annual Required Contribution (ARC) is an amount actuarially determined in accordance with GASB 45, which was implemented for the year ended June 30, 2009. The ARC represents a level of funding that, if paid on an ongoing basis, would cover normal cost each year and amortize any unfunded actuarial liabilities (UAL) over a period of thirty years. A 30 year amortization period (the maximum amortization period allowed by GASB 45) was used for post employment benefits. The total ARC for fiscal year 2010 is \$2,526,451 as set forth below:

Normal Cost	\$ 1,268,959
30-year UAL amortization amount	1,257,492
Annual required contribution (ARC)	<u>\$ 2,526,451</u>

East Carroll Parish School Board
Notes to the Basic Financial Statements
June 30, 2010

The following table presents the School Board's OPEB Obligation for fiscal year 2010:

	<u>2010</u>	<u>2009</u>
Beginning Net OPEB Obligation July 1,	\$ 2,342,899	\$ None
Annual required contribution	2,526,451	2,620,167
Interest on prior year Net OPEB Obligation	93,716	-
Adjustment to ARC	-	-
Annual OPEB Cost	<u>2,620,167</u>	<u>2,620,167</u>
Less current year retiree premiums	<u>481,920</u>	<u>277,268</u>
Increase in Net OPEB Obligation	<u>2,138,247</u>	<u>2,342,899</u>
Ending Net OPEB Obligation at June 30,	<u>\$ 4,481,146</u>	<u>\$ 2,342,899</u>

Utilizing the pay as you go method, the School Board contributed 18.4% of the annual post employment benefits cost during 2010 and 11% for 2009.

Funded Status and Funding Progress - Since the plan is not funded, the School Board's entire actuarial accrued liability of \$22,614,371 was unfunded.

The funded status of the plan, as determined by an actuary as of July 1, 2008, was as follows:

Actuarial accrued liability (AAL)	\$ 22,614,371
Actuarial value of plan assets	-
Unfunded actuarial accrued liability (UAAL)	<u>\$ 22,614,371</u>
Funded ratio (actuarial value of plan assets/AAL)	0%
Covered payroll	\$ 9,164,453
UAAL as a percentage of covered payroll	246.76%

Actuarial Methods and Assumptions - Actuarial valuations of an ongoing plan involve estimates of the value of reported amounts and assumptions about the probability of occurrence of events far into the future. Examples include assumptions about future employment, mortality, and the healthcare cost trend. Amounts determined regarding the funded status of the plan and the annual required contributions of the employer are subject to continual revision as actual results are compared with past expectations and new estimates are made about the future.

Projections of benefits for financial reporting purposes are based on the substantive plan (the plan as understood by the employer and plan members) and include the types of benefits provided at the time of each valuation and the historical pattern of sharing of benefit costs between the employer and plan members to that point. The actuarial methods and assumptions used include techniques that are designed to reduce short-term volatility in actuarial accrued liabilities consistent with the long-term perspective of the calculations.

In the July 1, 2008 actuarial valuation for the East Carroll Parish School Board, the projected unit credit actuarial cost method was used. The actuarial assumptions included a 4% rate of return on investments. The expected rate on increase in healthcare costs was based on Pre-Medicare and Medicare eligible from 7.8% graduated down to an ultimate annual rate of 4%. The RP 2000 system table with floating Scale AA was used in making actuarial assumptions in regards to mortality rates.

The remaining amortization period at June 30, 2010 for other post employment benefits (OPEB) was twenty-eight years. The level dollar amortization method was used.

East Carroll Parish School Board
Notes to the Basic Financial Statements
June 30, 2010

NOTE 9 - ACCOUNTS, SALARIES AND OTHER PAYABLES The payables at June 30, 2010, are as follows:

	General	Title I	Other Governmental	Total
Salaries	\$ 696,014	\$ 130,898	\$ 269,523	\$ 1,096,435
Accounts	222,885	102	34,849	257,836
Total	<u>\$ 918,899</u>	<u>\$ 131,000</u>	<u>\$ 304,372</u>	<u>\$ 1,354,271</u>

NOTE 10 - COMPENSATED ABSENCES At June 30, 2010, employees of the School Board have accumulated and vested \$529,295 of employee leave benefits, including \$7,565 of salary-related benefits. These employee leave benefits were computed in accordance with GASB Codification Section C60.

NOTE 11 - AGENCY FUND DEPOSITS DUE OTHERS A summary of changes in agency fund deposits due others follows:

	Balance, Beginning	Additions	Reductions	Balance, Ending
Agency funds:				
School activities fund	\$ 164,345	\$ 176,522	\$ 176,554	\$ 164,313
Retirement insurance fund	22,580	111,517	94,941	39,156
Total	<u>\$ 186,925</u>	<u>\$ 288,039</u>	<u>\$ 271,495</u>	<u>\$ 203,469</u>

NOTE 12 - LONG-TERM LIABILITIES The following is a summary of the long-term obligation transactions for the year ended June 30, 2010:

	Beginning Balance	Additions	Deletions	Ending Balance	Amounts Due Within
Governmental Activities					
Bonds Payable:					
Certificate of indebtedness	\$1,393,000	\$ -	\$ 100,000	\$1,293,000	\$ 105,000
Other liabilities:					
Compensated absences	461,524	327,193	259,422	529,295	259,422
OPEB liability	2,342,899	2,620,167	481,920	4,481,146	-
Governmental Activities					
Long-term liabilities	<u>\$4,197,423</u>	<u>\$ 2,947,360</u>	<u>\$ 841,342</u>	<u>\$6,303,441</u>	<u>\$ 364,422</u>

The compensated absences liability attributable to the governmental activities will be liquidated 100% by the General Fund.

East Carroll Parish School Board
Notes to the Basic Financial Statements
June 30, 2010

The individual bond issues are as follows:

<u>Bond Issue</u>	<u>Original Issue</u>	<u>Interest Rates</u>	<u>Final Due</u>	<u>Interest to Maturity</u>	<u>Principal Outstanding</u>
Certificate of Indebtedness	\$ 1,782,000	5.375%	2020	\$ 346,421	\$ 1,293,000

All principal and interest requirements are funded with general operating funds of the General Fund. The certificates are due as follows:

<u>Year ending June 30,</u>	<u>Principal Payments</u>	<u>Interest Payments</u>	<u>Total</u>
2011	\$ 105,000	\$ 59,018	\$ 164,018
2012	110,000	54,234	164,234
2013	115,000	49,235	164,235
2014	120,000	43,968	163,968
2015	125,000	38,485	163,485
2016-2020	718,000	101,481	819,481
<u>Total</u>	<u>\$ 1,293,000</u>	<u>\$ 346,421</u>	<u>\$ 1,639,421</u>

In accordance with the Louisiana Revised Statutes 39:562, the School Board is legally restricted from incurring long-term bonded debt in excess of 35% of the assessed value of taxable property. At June 30, 2010, the statutory limit was \$14,997,640 and the outstanding net bonded debt totaled \$1,293,000.

NOTE 13 - INTERFUND TRANSACTIONS (FFS LEVEL ONLY)

Interfund receivable/payable:

<u>Receivable Fund</u>	<u>Payable Fund</u>	<u>Amount</u>
General	Title I	\$ 436,274
General	Other governmental	219,508
<u>Total</u>		<u>\$ 655,782</u>

The purpose of interfund receivable/payables between the general fund, Title I, and other governmental is to cover expenditures on cost reimbursement programs until reimbursements are received.

Transfers during the year were as follows:

<u>Transfers in</u>	<u>Transfers out</u>	
Title I	Other governmental	\$ 137,792
		<u>\$ 137,792</u>

Transfers were made from the General fund to the Other Governmental funds to clear out a negative fund balance and close out the fund as well as close out inactive funds.

East Carroll Parish School Board
Notes to the Basic Financial Statements
June 30, 2010

NOTE 14 - RISK MANAGEMENT The School Board is at risk for property damage, liability and theft which are covered by insurance policies. The School Board is also fully insured for workers' compensation.

NOTE 15 - LITIGATION AND CLAIMS

Litigation At June 30, 2010, the School Board was involved in various litigation. It is the opinion of the legal advisor for the School Board that the potential loss to the Board would not be material to the financial statements.

Grant Disallowance The School Board participates in a number of state and federally assisted grant programs. These programs are subject to compliance audits under the single audit approach. Such audits could lead to request for reimbursement by the grantor agency for expenditures disallowed under the terms of the grants. School Board management believes that the amount of disallowances, if any, which may arise from future audits will not be material.

Energy Performance Contract The School Board entered into an energy performance contract with TAC Americas, Inc. in November 2004. The contract includes a stipulated operational savings. The Louisiana Attorney General recently issued an opinion (A.G. Opinion No. 07-0002) regarding a similar contract with another School Board and concluded that some of these contracts may not meet the statutory definition of a performance based energy contract. The School Board is in discussion with TAC Americas, Inc. to amend the contract to eliminate the clause which may not meet the requirements of state law.

NOTE 16 - ON-BEHALF PAYMENTS FOR FRINGE BENEFITS AND SALARIES On-behalf payments for fringe benefits and salaries are direct payments made by an entity (the paying agent) to a third-party recipient for the employees of another, legally separate entity (the employer entity). GASB Statement No. 24 requires employer governments to recognize revenue and expenditures or expenses for these on-behalf payments.

The State of Louisiana made pension contributions (regarding Professional Improvement Program) directly to the Teachers' Retirement System of Louisiana on behalf of the School Board in the amount of \$15,166. This amount was recognized as state revenue and a corresponding expenditure in the applicable fund from which the salary was paid.

NOTE 17 - RESERVED FUND BALANCES (FFS LEVEL ONLY)

Reserved for inventory This amount represents the portion of fund balance relating to inventory on hand which is therefore unavailable to be expended for other purposes.

Reserved for salary enhancements and construction and maintenance This amount represents the portion of fund balance arising from the 1993 and 1998 sales taxes that are restricted to payments for salaries, construction and maintenance.

NOTE 18 - ECONOMIC DEPENDENCY Statement of Financial Accounting Standards (SFAS) No. 14 requires disclosure in financial statements of a situation where one entity provides more than 10% of the audited entities revenue. The Minimum Foundation funding provided by the state to all public school systems in Louisiana is primarily based on October 1 student count. The state provided \$8,649,758 to the School Board, which represents approximately 49.13% of the School Board's total revenue for the year.

NOTE 19 - CHANGES IN PRESENTATION For fiscal year end June 30, 2009, the General fund, Title I fund, and Reading First fund were reported as major funds; however, for fiscal year end June 30, 2010, the General fund, and Title I are major funds.

REQUIRED SUPPLEMENTAL INFORMATION

East Carroll Parish School Board

**SCHEDULE OF FUNDING PROGRESS FOR OTHER POST EMPLOYMENT BENEFIT PLAN
JUNE 30, 2010**

<u>Fiscal Year End</u>	<u>Actuarial Valuation Date</u>	<u>(a) Actuarial Value of Assets</u>	<u>(b) Actuarial Accrued Liability (AAL)</u>	<u>(b-a) Unfunded AAL (UAAL)</u>	<u>(a/b) Funded Ratio</u>	<u>(c) Covered Payroll</u>	<u>(b-a/c) UAAL as a Percentage of Covered Payroll</u>
2009	7/1/2008	\$ -	\$22,614,371	\$22,614,371	0%	\$9,458,586	239.09%
2010	7/1/2008	-	22,614,371	22,614,371	0%	9,164,453	246.76%

**East Carroll Parish School Board
Budgetary Comparison Schedules**

General Fund and Major Special Revenue Funds With Legally Adopted Annual Budgets

GENERAL FUND The general fund accounts for all activities of the School Board except those that are accounted for in other funds.

TITLE I This program is designed to improve the educational opportunities of educationally deprived children by helping them succeed in the regular school program, attain grade level proficiency and improve achievement in basic and more advanced skills. Services supplement, not supplant, those normally provided by state and local educational agencies.

EAST CARROLL PARISH SCHOOL BOARD

GENERAL FUND
Budgetary Comparison Schedule
For the Year Ended June 30, 2010

Exhibit 1-1

	<u>BUDGETED AMOUNTS</u>		<u>ACTUAL</u>	<u>VARIANCE WITH</u>
	<u>ORIGINAL</u>	<u>FINAL</u>	<u>AMOUNTS</u>	<u>FINAL BUDGET</u>
				<u>POSITIVE</u>
				<u>(NEGATIVE)</u>
BUDGETARY FUND BALANCES, BEGINNING	\$ 3,266,802	\$ 3,266,802	\$ 3,266,802	0
Resources (inflows)				
Local sources:				
Ad valorem taxes	507,352	557,352	576,841	19,489
Sales and use taxes	1,400,000	1,400,000	1,570,920	170,920
Interest earnings	242,963	225,935	7,136	(218,799)
Other	211,388	193,272	760,353	567,081
State sources:				
Equalization	8,878,681	8,921,162	8,470,333	(450,829)
Other	139,333	139,334	136,777	(2,557)
Amounts available for appropriations	<u>14,646,519</u>	<u>14,703,857</u>	<u>14,789,162</u>	<u>85,305</u>
Charges to appropriations (outflows)				
Instruction:				
Regular programs	6,171,000	6,028,703	5,387,641	641,062
Special education programs	974,300	901,407	863,770	37,637
Other instructional programs	491,475	459,246	472,798	(13,552)
Support services:				
Student services	509,524	565,393	478,564	86,829
Instructional staff support	316,000	342,592	363,563	(20,971)
General administration	167,361	178,717	238,121	(59,404)
School administration	1,071,000	1,100,314	1,166,092	(65,778)
Business services	454,600	426,465	488,363	(61,898)
Plant services	1,556,200	1,370,025	1,426,531	(56,506)
Student transportation services	667,688	716,188	754,746	(38,558)
Food services	80,000	60,928	84,163	(23,235)
Community service programs	4,100	3,523	2,648	875
Capital Outlay	100,000	4,279	183,706	(179,427)
Debt service:				
Principal retirement	100,000	100,000	100,000	0
Interest and bank charges	77,749	15,000	63,586	(48,586)
Total charges to appropriations	<u>12,740,997</u>	<u>12,272,780</u>	<u>12,074,292</u>	<u>198,488</u>
BUDGETARY FUND BALANCES, ENDING	\$ <u>1,905,522</u>	\$ <u>2,431,077</u>	\$ <u>2,714,870</u>	<u>283,793</u>

EAST CARROLL PARISH SCHOOL BOARD

**TITLE I
Budgetary Comparison Schedule
For the Year Ended June 30, 2010**

Exhibit 1-2

	<u>BUDGETED AMOUNTS</u>		<u>ACTUAL</u>	<u>VARIANCE WITH</u>
	<u>ORIGINAL</u>	<u>FINAL</u>	<u>AMOUNTS</u>	<u>FINAL BUDGET</u>
				<u>POSITIVE</u>
				<u>(NEGATIVE)</u>
BUDGETARY FUND BALANCES, BEGINNING	\$ 0	\$ 0	\$ 0	0
Resources (inflows)				
Federal sources	248,297	3,216,246	2,809,981	(406,265)
Transfers from other funds	0	0	137,792	137,792
Amounts available for appropriations	<u>248,297</u>	<u>3,216,246</u>	<u>2,947,773</u>	<u>(268,473)</u>
Charges to appropriations (outflows)				
Instruction:				
Regular programs	0	687	687	0
Other instructional programs	248,297	2,831,595	2,294,862	536,733
Support services:				
Instructional staff support	0	241,523	241,523	0
General administration	0	142,441	168,740	(26,299)
Capital outlay	0	0	241,961	(241,961)
Total charges to appropriations	<u>248,297</u>	<u>3,216,246</u>	<u>2,947,773</u>	<u>268,473</u>
BUDGETARY FUND BALANCES, ENDING	\$ 0	\$ 0	\$ 0	0

**East Carroll Parish School Board
Notes to the Budgetary Comparison Schedules
For the Year Ended June 30, 2010**

A. BUDGETS

General Budget Practices The School Board follows these procedures in establishing the budgetary data reflected in the combined financial statements:

State statute requires budgets to be adopted for the general fund and all special revenue funds.

Each year prior to September, the Superintendent submits to the Board proposed annual budgets for the general fund and special revenue funds' budgets that are not grant oriented. Public hearings are conducted, prior to the Board's approval, to obtain taxpayer comments. Grant funds are included in special revenue funds and their budgets are adopted at the time the grant applications are approved by the governor. The operating budgets include proposed expenditures and the means of financing them.

Appropriations (unexpended budget balances) lapse at year-end.

Formal budget integration (within the accounting records) is employed as a management control device. All budgets are controlled at the function level. Budget amounts included in the accompanying financial statements include the original adopted budget and all subsequent amendments. These revisions were considered insignificant by the Board.

Encumbrances *Encumbrance accounting, under which purchase orders are recorded in order to reserve that portion of the applicable appropriation, is not employed. However, outstanding purchase orders are taken into consideration before expenditures are incurred in order to assure that applicable appropriations are not exceeded.*

Budget Basis of Accounting All budgets are prepared on the modified accrual basis of accounting, a basis consistent with accounting principles generally accepted in the United States of America (GAAP). Budgeted amounts are originally adopted or amended by the Board. Legally, the Board must adopt a balanced budget; that is, total budgeted revenues and other financing sources including fund balance must equal or exceed total budgeted expenditures and other financing uses. State statutes require the Board to amend its budgets when revenues plus projected revenues within a fund are expected to be less than budgeted revenues by five percent or more and/or expenditures within a fund are expected to exceed budgeted expenditures by five percent or more. The School Board approves budgets at the function level and management can transfer amounts between line items within a function.

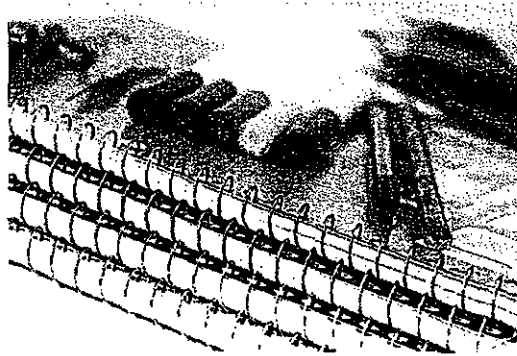
EAST CARROLL PARISH SCHOOL BOARD

Notes to Budgetary Comparison Schedules For the Year Ended June 30, 2010

Note B - Budget to GAAP Reconciliation - Explanation of differences between budgetary inflows and outflows and GAAP revenues and expenditures

	GENERAL FUND	TITLE I
<u>Sources/inflows of resources:</u>		
Actual amounts (budgetary basis) "available for appropriation" from the Budgetary Comparison Schedule	\$ 14,789,162	\$ 2,947,773
Transfers from other funds are inflows of budgetary resources but are not revenues for financial reporting purposes	0	(137,792)
The fund balance at the beginning of the year is a budgetary resource but is not a current year revenue for financial reporting purposes	(3,266,802)	0
Total revenues as reported on the Statement of Revenues, Expenditures, and Changes in Fund Balances - Governmental Funds	11,522,360	2,809,981
<u>Uses/outflows of resources:</u>		
Actual amounts (budgetary basis) "Total charges to appropriations" from the Budgetary Comparison Schedule	12,074,292	2,947,773
Transfer to other funds are outflows of budgetary resources but are not expenditures for financial reporting purposes	0	0
Total expenditures as reported on the Statement of Revenues, Expenditures, and Changes in Fund Balances -Governmental Funds	\$ 12,074,292	\$ 2,947,773

East Carroll Parish School Board



**SUPPLEMENTAL INFORMATION:
COMBINING
NONMAJOR GOVERNMENTAL FUNDS -
BY FUND TYPE**

EAST CARROLL PARISH SCHOOL BOARD

**NONMAJOR GOVERNMENTAL FUNDS
Combining Balance Sheet - By Fund Type
June 30, 2010**

Exhibit 2

	<u>SPECIAL REVENUE</u>	<u>CAPITAL PROJECTS</u>	<u>TOTAL</u>
ASSETS			
Cash and cash equivalents	\$ 223,127	\$ 53,052	\$ 276,179
Receivables	348,766	0	348,766
Inventory	<u>5,425</u>	<u>0</u>	<u>5,425</u>
TOTAL ASSETS	<u>577,318</u>	<u>53,052</u>	<u>630,370</u>
LIABILITIES AND FUND BALANCES			
Liabilities:			
Accounts, salaries and other payables	304,372	0	304,372
Interfund payables	219,508	0	219,508
Deferred revenue	<u>30,432</u>	<u>0</u>	<u>30,432</u>
Total Liabilities	<u>554,312</u>	<u>0</u>	<u>554,312</u>
Fund Balances:			
Reserved for:			
Inventory	3,975	0	3,975
Unreserved, reported in			
Special Revenue	19,031	0	19,031
Capital Projects	<u>0</u>	<u>53,052</u>	<u>53,052</u>
Total Fund Balances	<u>23,006</u>	<u>53,052</u>	<u>76,058</u>
TOTAL LIABILITIES AND FUND BALANCES	<u>\$ 577,318</u>	<u>\$ 53,052</u>	<u>\$ 630,370</u>

EAST CARROLL PARISH SCHOOL BOARD

**NONMAJOR GOVERNMENTAL FUNDS
Combining Statement of Revenues, Expenditures,
and Changes in Fund Balances - By Fund Type
For the Year Ended June 30, 2010**

Exhibit 3

	<u>SPECIAL REVENUE</u>	<u>CAPITAL PROJECTS</u>	<u>TOTAL</u>
REVENUES			
Local sources:			
Taxes:			
Interest earnings	\$ 8	\$ 171	\$ 179
Food services	24,530	0	24,530
Other	964	0	964
State sources:			
Equalization	179,425	0	179,425
Other	403,110	0	403,110
Federal sources	<u>2,663,939</u>	<u>0</u>	<u>2,663,939</u>
 Total Revenues	 <u>3,271,976</u>	 <u>171</u>	 <u>3,272,147</u>
 EXPENDITURES			
Current:			
Instruction:			
Regular programs	808,414	0	808,414
Special programs	442,450	0	442,450
Other instructional programs	337,801	0	337,801
Support services:			
Student services	224,508	0	224,508
Instructional staff support	77,199	0	77,199
General administration	53,035	0	53,035
School administration	17,049	0	17,049
Business services	843	0	843
Plant services	8,983	0	8,983
Student transportation services	32,855	0	32,855
Food services	1,059,504	0	1,059,504
Capital outlay	<u>165,040</u>	<u>0</u>	<u>165,040</u>
 Total Expenditures	 <u>3,227,681</u>	 <u>0</u>	 <u>3,227,681</u>
 EXCESS (Deficiency) OF REVENUES OVER EXPENDITURES	 <u>44,295</u>	 <u>171</u>	 <u>44,466</u>
 OTHER FINANCING SOURCES (USES)			
Transfers out	<u>(137,792)</u>	<u>0</u>	<u>(137,792)</u>
 Total Other Financing Sources (Uses)	 <u>(137,792)</u>	 <u>0</u>	 <u>(137,792)</u>
 Net Change in Fund Balances	 (93,497)	 171	 (93,326)
 FUND BALANCES - BEGINNING	 <u>116,503</u>	 <u>52,881</u>	 <u>169,384</u>
 FUND BALANCES - ENDING	 <u>\$ 23,006</u>	 <u>\$ 53,052</u>	 <u>\$ 76,058</u>

East Carroll Parish School Board

Nonmajor Special Revenue Funds

TITLE II This program was designed to improve the skills of teachers and the quality of instruction in mathematics and science, also to increase the accessibility of such instruction to all students.

TITLE IV This program was designed to establish state and local programs of alcohol and drug abuse education and prevention coordinated with related community efforts and resources.

IDEA These grants to states assist the School Board in providing a free appropriate education to all children with disabilities.

PRESCHOOL These grants to states assist the School Board in providing a free appropriate public education to preschool disabled children aged three through five years.

SUMMER FEEDING This program was established to ensure continued availability of high-quality meals during the summer months similar to those provided during the school year.

RURAL EDUCATION ACHIEVEMENT This program was designed to provide high-poverty, rural local educational agencies with teacher professional development and educational technology.

VOCATIONAL EDUCATION Basic Grants to States- This program was designed to make the United States more competitive in the world economy by developing more fully the academic and occupational skills of all segments of the population, principally through concentrating resources on improving educational programs leading to academic and occupational skills needed to work in a technologically advanced society.

JAG This is a division of the TANF grant which delivers services to at-risk and disadvantaged youth to aid them in pursuing a post secondary education and ensure participants an opportunity to enter the workforce in quality job.

LA4 The purpose of this grant is to provide access to universal high quality, developmentally appropriate prekindergarten classes, before and after school enrichment programs, and summer programs to four-year-old children who are eligible to enter public school kindergarten the following year.

8 (g) To provide enhancement to elementary, secondary, and vocational programs funded through the State Minimum Foundation Program.

EDUCATION EXCELLENCE To enhance instructional programs approved by the legislature for students of pre-kindergarten through twelfth grade with proceeds received from tobacco settlement monies.

CHILD NUTRITION The basic goals of the Child Nutrition Programs are to serve nutritionally adequate, attractive and moderately priced meals, to help children grow socially and emotionally, to extend educational influence to homes of school children, and to provide learning experiences that will improve the children's food habits with the ultimate goal of physically fit adults.

OTHER MISCELLANEOUS To account for various small state and federal grants for which the expenditures are legally restricted to specified purposes.

(Continued)

East Carroll Parish School Board

Nonmajor Special Revenue Funds

ENHANCING EDUCATION THRU TECHNOLOGY To improve student academic achievement through the use of technology in schools; assist all students in becoming technologically literate by the end of the eighth grade; and encourage the effective integration of technology with teacher training and curriculum development to establish successful research-based instructional methods.

STATE FISCAL STABILIZATION This grant is a one-time appropriation under the American Recovery and Reinvestment Act of 2009. The U.S. Department of Education gave states this money in exchange for a commitment to advance essential education reforms to benefit students from early learning through post-secondary education.

(Concluded)

EAST CARROLL PARISH SCHOOL BOARD

NONMAJOR SPECIAL REVENUE FUNDS
Combining Balance Sheet
June 30, 2010

	<u>TITLE II</u>	<u>TITLE IV</u>	<u>IDEA</u>
ASSETS			
Cash and cash equivalents	\$ 0	\$ 0	\$ 41
Receivables	50,005	1,484	73,478
Inventory	0	0	0
TOTAL ASSETS	<u>50,005</u>	<u>1,484</u>	<u>73,519</u>
LIABILITIES AND FUND BALANCES			
Liabilities:			
Accounts, salaries and other payables	9,315	408	31,178
Interfund payable	40,690	1,076	42,341
Deferred revenue	0	0	0
Total Liabilities	<u>50,005</u>	<u>1,484</u>	<u>73,519</u>
Fund Balances:			
Reserved for:			
Inventory	0	0	0
Unreserved and undesignated	0	0	0
Total Fund Balances	<u>0</u>	<u>0</u>	<u>0</u>
TOTAL LIABILITIES AND FUND BALANCES	<u>\$ 50,005</u>	<u>\$ 1,484</u>	<u>\$ 73,519</u>

Exhibit 4

PRESCHOOL	SUMMER FEEDING	RURAL EDUCATION ACHIEVEMENT	VOCATIONAL EDUCATION	JAG
\$ 0	\$ 51,536	\$ 0	\$ 0	0
0	2,570	17,007	18,424	36,142
0	0	0	0	0
0	54,106	17,007	18,424	36,142
0	13,703	0	928	15,224
0	0	17,007	17,496	20,918
0	0	0	0	0
0	13,703	17,007	18,424	36,142
0	0	0	0	0
0	40,403	0	0	0
0	40,403	0	0	0
\$ 0	\$ 54,106	\$ 17,007	\$ 18,424	\$ 36,142

(Continued)

EAST CARROLL PARISH SCHOOL BOARD

NONMAJOR SPECIAL REVENUE FUNDS
Combining Balance Sheet
June 30, 2010

	LA 4	8 (g)	EDUCATIONAL EXCELLENCE	CHILD NUTRITION
ASSETS				
Cash and cash equivalents	\$ 0	\$ 0	\$ 0	\$ 87,312
Receivables	5,632	25,374	0	4,563
Inventory	0	0	0	5,425
TOTAL ASSETS	5,632	25,374	0	97,300
LIABILITIES AND FUND BALANCES				
Liabilities:				
Accounts, salaries and other payables	0	12,049	17,226	84,855
Interfund payable	5,632	13,325	6,102	4,145
Deferred revenue	0	0	0	1,450
Total Liabilities	5,632	25,374	23,328	90,450
Fund Balances:				
Reserved for:				
Inventory	0	0	0	3,975
Unreserved and undesignated	0	0	(23,328)	2,875
Total Fund Balances	0	0	(23,328)	6,850
TOTAL LIABILITIES AND FUND BALANCES	\$ 5,632	\$ 25,374	\$ 0	\$ 97,300

Exhibit 4

OTHER MISCELLANEOUS	ENHANCING EDUCATION THRU TECHNOLOGY	STATE FISCAL STABILIZATION	TOTAL
\$ 84,238	\$ 0	\$ 0	\$ 223,127
111,376	2,711	0	348,786
0	0	0	5,425
195,614	2,711	0	577,318
118,113	1,373	0	304,372
49,438	1,338	0	219,508
28,982	0	0	30,432
196,533	2,711	0	554,312
0	0	0	3,975
(919)	0	0	19,031
(919)	0	0	23,006
\$ 195,614	\$ 2,711	\$ 0	\$ 577,318

(CONCLUDED)

EAST CARROLL PARISH SCHOOL BOARD

NONMAJOR SPECIAL REVENUE FUNDS
Combining Statement of Revenues, Expenditures,
and Changes in Fund Balances
For the Year Ended June 30, 2010

	<u>TITLE II</u>	<u>TITLE IV</u>	<u>IDEA</u>
REVENUES			
Local sources:			
Interest earnings	\$ 0	\$ 0	\$ 0
Food services	0	0	0
Other	0	0	0
State sources: Equalization	0	0	0
Other	0	0	6,032
Federal sources	<u>334,264</u>	<u>15,748</u>	<u>577,218</u>
 Total revenues	 <u>334,264</u>	 <u>15,748</u>	 <u>583,250</u>
 EXPENDITURES			
Current:			
Instruction:			
Regular programs	0	0	21,039
Special programs	0	0	412,212
Other instructional programs	152,751	0	0
Support services:			
Student services	0	3,135	2,068
Instructional staff support	32,323	729	40,010
General administration	11,538	186	32,392
School administration	0	0	0
Business services	0	0	843
Plant services	0	5,320	1,934
Student transportation services	0	0	6,323
Food services	0	0	0
Capital outlay	<u>6,238</u>	<u>0</u>	<u>66,429</u>
 Total expenditures	 <u>202,850</u>	 <u>9,370</u>	 <u>583,250</u>
 EXCESS (Deficiency) OF REVENUES			
OVER EXPENDITURES	<u>131,414</u>	<u>6,378</u>	<u>0</u>
 OTHER FINANCING SOURCES (USES)			
Transfers out	<u>(131,414)</u>	<u>(6,378)</u>	<u>0</u>
 Total Other Financing Sources (Uses)	 <u>(131,414)</u>	 <u>(6,378)</u>	 <u>0</u>
 Net Change in Fund Balances	 0	 0	 0
 FUND BALANCES AT BEGINNING OF YEAR	 <u>0</u>	 <u>0</u>	 <u>0</u>
 FUND BALANCES AT END OF YEAR	 <u>\$ 0</u>	 <u>\$ 0</u>	 <u>\$ 0</u>

Exhibit 5

	PRESCHOOL	SUMMER FEEDING	RURAL EDUCATION ACHIEVEMENT	VOCATIONAL EDUCATION	JAG
\$	0 \$	0 \$	0 \$	0 \$	0
	0	174	0	0	0
	0	0	0	0	0
	0	0	0	0	0
	0	0	0	0	0
	5,059	45,082	17,007	29,068	93,555
	5,059	45,256	17,007	29,068	93,555
	4,770	0	0	0	80,116
	0	0	0	0	0
	0	0	16,040	28,118	6,274
	0	0	0	0	0
	0	0	0	0	1,015
	289	0	967	0	5,360
	0	0	0	0	0
	0	0	0	0	0
	0	0	0	0	0
	0	2,572	0	950	790
	0	24,285	0	0	0
	0	0	0	0	0
	5,059	26,857	17,007	29,068	93,555
	0	18,399	0	0	0
	0	0	0	0	0
	0	0	0	0	0
	0	18,399	0	0	0
	0	22,004	0	0	0
\$	0 \$	40,403 \$	0 \$	0 \$	0

(Continued)

EAST CARROLL PARISH SCHOOL BOARD

**NONMAJOR SPECIAL REVENUE FUNDS
Combining Statement of Revenues, Expenditures,
and Changes in Fund Balances
For the Year Ended June 30, 2010**

	<u>LA 4</u>	<u>8 (g)</u>	<u>EDUCATIONAL EXCELLENCE</u>	<u>CHILD NUTRITION</u>
REVENUES				
Local sources:				
Interest earnings	\$ 0	\$ 0	\$ 0	\$ 8
Food services	0	0	0	24,358
Other	0	0	0	0
State sources: Equalization	0	0	0	179,425
Other	39,732	100,709	137,689	0
Federal sources	<u>23,953</u>	<u>0</u>	<u>0</u>	<u>881,165</u>
Total revenues	<u>63,685</u>	<u>100,709</u>	<u>137,689</u>	<u>1,084,954</u>
EXPENDITURES				
Current:				
Instruction:				
Regular programs	60,692	5,372	95,750	0
Special programs	0	0	0	0
Other instructional programs	2,898	86,483	0	0
Support services:				
Student services	0	0	150,397	0
Instructional staff support	0	0	0	0
General administration	0	0	0	0
School administration	0	0	0	0
Business services	0	0	0	0
Plant services	0	0	0	1,212
Student transportation services	95	300	0	0
Food services	0	0	0	1,034,138
Capital outlay	<u>0</u>	<u>8,554</u>	<u>0</u>	<u>52,403</u>
Total expenditures	<u>63,685</u>	<u>100,709</u>	<u>246,147</u>	<u>1,087,753</u>
EXCESS (Deficiency) OF REVENUES OVER EXPENDITURES	<u>0</u>	<u>0</u>	<u>(108,458)</u>	<u>(2,799)</u>
OTHER FINANCING SOURCES (USES)				
Transfers out	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>
Total Other Financing Sources (Uses)	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>
Net Change in Fund Balances	0	0	(108,458)	(2,799)
FUND BALANCES AT BEGINNING OF YEAR	<u>0</u>	<u>0</u>	<u>85,130</u>	<u>9,649</u>
FUND BALANCES AT END OF YEAR	<u>\$ 0</u>	<u>\$ 0</u>	<u>(23,328)</u>	<u>\$ 6,850</u>

Exhibit 5

OTHER MISCELLANEOUS	ENHANCING EDUCATION THRU TECHNOLOGY	STATE FISCAL STABILIZATION	TOTAL
\$ 0	\$ 0	\$ 0	\$ 8
0	0	0	24,530
964	0	0	964
0	0	0	179,425
118,948	0	0	403,110
<u>325,223</u>	<u>45,191</u>	<u>271,406</u>	<u>2,663,939</u>
<u>445,135</u>	<u>45,191</u>	<u>271,406</u>	<u>3,271,976</u>
301,032	0	239,643	808,414
0	0	30,238	442,450
35,794	9,443	0	337,801
65,992	2,916	0	224,508
1,059	2,063	0	77,199
0	886	1,417	53,035
16,941	0	108	17,049
0	0	0	843
517	0	0	8,983
21,825	0	0	32,855
1,081	0	0	1,059,504
<u>1,533</u>	<u>29,883</u>	<u>0</u>	<u>165,040</u>
<u>445,774</u>	<u>45,191</u>	<u>271,406</u>	<u>3,227,681</u>
<u>(639)</u>	<u>0</u>	<u>0</u>	<u>44,295</u>
<u>0</u>	<u>0</u>	<u>0</u>	<u>(137,792)</u>
<u>0</u>	<u>0</u>	<u>0</u>	<u>(137,792)</u>
(639)	0	0	(93,497)
<u>(280)</u>	<u>0</u>	<u>0</u>	<u>116,503</u>
\$ (919)	\$ 0	\$ 0	\$ 23,006

(Concluded)

East Carroll Parish School Board

Agency Funds

SCHOOL ACTIVITIES FUND The activities of the various individual school accounts are accounted for in the school activities agency fund. Although the accounts are under the supervision of the School Board, they belong to the individual schools or their student bodies and are not available for use by the School Board.

RETIREMENT INSURANCE FUND The monthly receipt and payment of funds for the retirees' insurance benefits are accounted for in the retiree insurance fund. Although the account is under the supervision of the School Board, it belongs to the retirees and is not available for use by the School Board.

EAST CARROLL PARISH SCHOOL BOARD

AGENCY FUNDS
Combining Schedule of Assets and Liabilities
June 30, 2010

Exhibit 6

	SCHOOL ACTIVITIES FUND	RETIREMENT INSURANCE FUND	TOTAL
ASSETS			
Cash and cash equivalents	\$ 164,313	\$ 39,156	\$ 203,469
TOTAL ASSETS	<u>164,313</u>	<u>39,156</u>	<u>203,469</u>
LIABILITIES			
Deposits due others	<u>164,313</u>	<u>39,156</u>	<u>203,469</u>
TOTAL LIABILITIES	<u>\$ 164,313</u>	<u>\$ 39,156</u>	<u>\$ 203,469</u>

EAST CARROLL PARISH SCHOOL BOARD

**AGENCY FUNDS
Statement of Changes In Fiduciary Assets and Liabilities
For the Year Ended June 30, 2010**

Exhibit 7

	<u>Balance, Beginning</u>	<u>Additions</u>	<u>Deductions</u>	<u>Balance, Ending</u>
*****SCHOOL ACTIVITIES FUND*****				
ASSETS				
Cash and cash equivalents	\$ 164,345	\$ 176,522	\$ 176,554	\$ 164,313
	<u>164,345</u>	<u>176,522</u>	<u>176,554</u>	<u>164,313</u>
LIABILITIES				
Deposits due others	<u>164,345</u>	<u>176,522</u>	<u>176,554</u>	<u>164,313</u>
	<u>164,345</u>	<u>176,522</u>	<u>176,554</u>	<u>164,313</u>
*****RETIREMENT INSURANCE FUND*****				
ASSETS				
Cash and cash equivalents	<u>22,580</u>	<u>111,517</u>	<u>94,941</u>	<u>39,156</u>
	<u>22,580</u>	<u>111,517</u>	<u>94,941</u>	<u>39,156</u>
LIABILITIES				
Deposits due others	<u>22,580</u>	<u>111,517</u>	<u>94,941</u>	<u>39,156</u>
	<u>22,580</u>	<u>111,517</u>	<u>94,941</u>	<u>39,156</u>
*****TOTAL AGENCY FUNDS*****				
ASSETS				
Cash and cash equivalents	<u>186,925</u>	<u>288,039</u>	<u>271,495</u>	<u>203,469</u>
	<u>186,925</u>	<u>288,039</u>	<u>271,495</u>	<u>203,469</u>
LIABILITIES				
Deposits due others	<u>186,925</u>	<u>288,039</u>	<u>271,495</u>	<u>203,469</u>
	<u>\$ 186,925</u>	<u>\$ 288,039</u>	<u>\$ 271,495</u>	<u>\$ 203,469</u>

EAST CARROLL PARISH SCHOOL BOARD

**SCHOOL ACTIVITIES AGENCY FUND
Schedule of Changes in Deposits Due Others
For the Year Ended June 30, 2010**

Exhibit 8

SCHOOL	<u>Balance, Beginning</u>	<u>Additions</u>	<u>Deductions</u>	<u>Balance, Ending</u>
Lake Providence Junior High	\$ 75,635	\$ 33,420	\$ 36,579	\$ 72,476
Lake Providence Senior High	26,944	93,857	84,383	36,418
Monticello High	15,680	6,536	16,401	5,815
Northside Elementary	12,550	10,236	8,897	13,889
Southside Elementary	<u>33,536</u>	<u>32,473</u>	<u>30,294</u>	<u>35,715</u>
Total	<u>\$ 164,345</u>	<u>\$ 176,522</u>	<u>\$ 176,554</u>	<u>\$ 164,313</u>

East Carroll Parish School Board

Exhibit 9

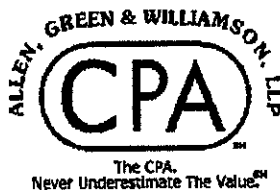
**Schedule of Compensation Paid Board Members
For The Year Ended June 30, 2010**

The schedule of compensation paid School Board members is in compliance with House Concurrent Resolution No. 54 of the 1979 Session of the Louisiana Legislature. Compensation of the School Board members is included in the general administrative expenditures of the general fund. In accordance with Louisiana Revised Statute 17:56, the School Board members have elected the monthly payment method of compensation. Under this method, each member of the School Board receives \$650 per month and the president receives \$50 per month for performing the duties of his/her office. Members received an additional \$50 for an extra meeting that was held during the year.

<u>Board Member</u>	<u>Actual Salary</u>
Glenn Dixon, President	\$ 8,400
Gene Edmondson, Vice President	7,800
Ralph Coleman	7,800
Harriet Bridges	7,800
Evangelia Fields	7,800
Fannie Hawkins	7,800
Tommy McKeel	7,800
Georjean Jackson	7,800
Roger Shoemaker	7,800
Total	<u>\$70,800</u>

East Carroll Parish School Board

SINGLE AUDIT INFORMATION



ALLEN, GREEN & WILLIAMSON, LLP

CERTIFIED PUBLIC ACCOUNTANTS

P. O. Box 6075

Monroe, LA 71211-6075

2441 Tower Drive

Monroe, LA 71201

Telephone: (318) 388-4422

Fax: (318) 388-4664

Toll-free: (888) 741-0205

www.allengreencpa.com

Tim Green, CPA
Margie Williamson, CPA
Amy Tynes, CPA

Aimee Buchanan, CPA
Rachel Davis, CPA
Jaime Esswein, CPA
Diane Ferschoff, CPA
Joshua Legg, CPA
Brian McBride, CPA
Jannicia Mercer, CPA
Cindy Thomason, CPA

Ernest L. Allen, CPA
(Retired) 1963 - 2000

Report on Internal Control Over Financial Reporting and on Compliance and Other Matters Based on an Audit of Financial Statements Performed in Accordance With Government Auditing Standards

Board Members

East Carroll Parish School Board
Lake Providence, Louisiana

We have audited the financial statements of the governmental activities, each major fund, and the aggregate remaining fund information of the East Carroll Parish School Board as of and for the year ended June 30, 2010, which collectively comprise the School Board's basic financial statements and have issued our report thereon dated January 6, 2011. We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States of America.

Internal Control Over Financial Reporting

In planning and performing our audit, we considered the School Board's internal control over financial reporting as a basis for designing our auditing procedures for the purpose of expressing our opinions on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of the School Board's internal control over financial reporting. Accordingly, we do not express an opinion on the effectiveness of the School Board's internal control over financial reporting.

A deficiency in internal control exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct misstatements on a timely basis. A material weakness is a deficiency, or a combination of deficiencies, in internal control such that there is a reasonable possibility that a material misstatement of the entity's financial statements will not be prevented, or detected and corrected on a timely basis.

Our consideration of internal control over financial reporting was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control over financial reporting that might be deficiencies, significant deficiencies or material weaknesses. We did not identify any deficiencies in internal control over financial reporting that we consider to be material weaknesses, as defined above. However, we identified certain deficiencies in internal control over financial reporting, described in the accompanying schedule of findings and questioned costs as items 10-F1, 10-F2, and 10-F3 that we consider to be significant deficiencies in internal control over financial reporting. A significant deficiency is a deficiency, or a combination of deficiencies, in internal control that is less severe than a material weakness, yet important enough to merit attention by those charged with governance.

Compliance and Other Matters

As part of obtaining reasonable assurance about whether the School Board's financial statements are free of material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts and grant agreements, noncompliance with which could have a direct and material effect on the determination of financial statement amounts. However, providing an opinion on compliance with those provisions was not an objective of our audit and, accordingly, we do not express such an opinion. The results of our tests disclosed no instances of non-compliance or other matters that are required to be reported under Government Auditing Standards.

The School Board's responses to the findings identified in our audit are described in the accompanying corrective action plan for current year findings and questioned costs. We did not audit the School Board's responses and, accordingly, we express no opinion on it.

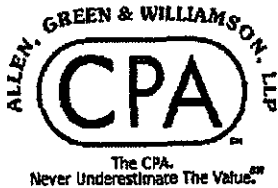
This report is intended solely for the information and use of the Board, management, others within the entity, federal awarding agencies, and pass-through entities and is not intended to be and should not be used by anyone other than these specified parties. Although the intended use of these reports may be limited, under Louisiana Revised Statute 24:513 this report is distributed by the Office of the Louisiana Legislative Auditor as a public document.

Allen, Green & Williamson, LLP

ALLEN, GREEN & WILLIAMSON, LLP

Monroe, Louisiana

January 6, 2011



ALLEN, GREEN & WILLIAMSON, LLP

CERTIFIED PUBLIC ACCOUNTANTS

P. O. Box 6075

Monroe, LA 71211-6075

2441 Tower Drive
Monroe, LA 71201

Telephone: (318) 388-4422

Fax: (318) 388-4664

Toll-free: (888) 741-0205

www.allengreencpa.com

Tim Green, CPA
Margie Williamson, CPA
Amy Tynes, CPA

Aimee Buchanan, CPA
Rachel Davis, CPA
Jaime Esswein, CPA
Diane Ferschoff, CPA
Joshua Legg, CPA
Brian McBride, CPA
Jannicia Mercer, CPA
Cindy Thomason, CPA

Ernest L. Allen, CPA
(Retired) 1963 - 2000

Report on Compliance With Requirements That Could Have a Direct and Material Effect on Each Major Program and on Internal Control Over Compliance in Accordance With OMB Circular A-133

Board Members

East Carroll Parish School Board
Lake Providence, Louisiana

Compliance

We have audited the compliance of the East Carroll Parish School Board with the types of compliance requirements described in the *OMB Circular A-133 Compliance Supplement* that could have a direct and material effect on each of its major federal programs for the year ended June 30, 2010. The School Board's major federal programs are identified in the summary of auditors' results section of the accompanying schedule of findings and questioned costs. Compliance with the requirements of laws, regulations, contracts, and grants applicable to each of its major federal programs is the responsibility of the School Board's management. Our responsibility is to express an opinion on the School Board's compliance based on our audit.

We conducted our audit of compliance in accordance with auditing standards generally accepted in the United States of America; the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States; and OMB Circular A-133, *Audits of States, Local Governments, and Non-Profit Organizations*. Those standards and OMB Circular A-133 require that we plan and perform the audit to obtain reasonable assurance about whether noncompliance with the types of compliance requirements referred to above that could have a direct and material effect on a major federal program occurred. An audit includes examining, on a test basis, evidence about the School Board's compliance with those requirements and performing such other procedures as we considered necessary in the circumstances. We believe that our audit provides a reasonable basis for our opinion. Our audit does not provide a legal determination on the School Board's compliance with those requirements.

In our opinion, the School Board complied, in all material respects, with the requirements referred to above that could have a direct and material effect on each of its major federal programs for the year ended June 30, 2010. However, the results of our auditing procedures disclosed instances of noncompliance with those requirements, which are required to be reported in accordance with OMB Circular A-133 and which are described in the accompanying schedule of findings and questioned costs as items 10-F4, 10-F5 and 10-F6.

Internal Control Over Compliance

Management of the School Board is responsible for establishing and maintaining effective internal control over compliance with requirements of laws, regulations, contracts, and grants applicable to federal programs. In planning and performing our audit, we considered the School Board's internal control over compliance with requirements that could have a direct and material effect on a major federal program to determine our auditing procedures for the purpose of expressing our opinion on compliance and to test and report on internal control over compliance in accordance with OMB Circular A-133, but not for the purpose of expressing an opinion on the effectiveness of internal control over compliance. Accordingly, we do not express an opinion on the effectiveness of the School Board's internal control over compliance.

A deficiency in internal control over compliance exists when the design or operation of a control over compliance does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct, noncompliance with a type of compliance requirement of a federal program on a timely basis. A material weakness in internal control over compliance is a deficiency, or combination of deficiencies, in internal control over compliance, such that there is a reasonable possibility that material noncompliance with a type of compliance requirement of a federal program will not be prevented, or detected and corrected, on a timely basis.

Our consideration of internal control over compliance was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in the School Board's internal control over compliance that might be deficiencies, significant deficiencies, or material weaknesses. We did not identify any deficiencies in internal control over compliance that we consider to be material weaknesses, as defined above. However, we identified certain deficiencies in internal control over compliance that we consider to be significant deficiencies as described in the accompanying schedule of findings and questioned costs as items 10-F4, 10-F5, 10-F6 and 10-F7. A significant deficiency in internal control over compliance is a deficiency, or a combination of deficiencies, in internal control over compliance with a type of compliance requirement of a federal program that is less severe than a material weakness in internal control over compliance, yet important enough to merit attention by those charged with governance.

The School Board's responses to the findings identified in our audit are described in the accompanying corrective action plan for current year findings and questioned costs. We did not audit the School Board's response and, accordingly, we express no opinion on it.

This report is intended solely for the information and use of the Board, management, others within the entity, federal awarding agencies, and pass-through entities and is not intended to be and should not be used by anyone other than these specified parties. Although the intended use of these reports may be limited, under Louisiana Revised Statute 24:513 this report is distributed by the Office of the Louisiana Legislative Auditor as a public document.


ALLEN, GREEN & WILLIAMSON, LLP

Monroe, Louisiana
January 6, 2011

**East Carroll Parish School Board
Schedule of Expenditures of Federal Awards
For the Year Ended June 30, 2010**

Exhibit 10

FEDERAL GRANTOR/ PASS-THROUGH GRANTOR/PROGRAM NAME	CFDA Number	Pass Through Grantor No.		Expenditures
United States Department of Agriculture				
Passed Through Louisiana Department of Education:				
Child Nutrition Cluster (non cash-commodities):				
National School Lunch Program	10.555	NONE	\$ 57,787	
Child Nutrition Cluster (cash):				
National School Lunch Program	10.555	NONE	491,760	
School Breakfast Program	10.553	NONE	209,474	
Summer Feeding Program for Children	10.559	NONE	45,082	\$ 804,103
Fresh Fruit and Vegetable Program:	10.582	NONE		64,320
Team Nutrition Training	10.574	28-09-FN-18		9,003
Equipment Assistance ARRA	10.579	NONE		48,821
Total United States Department of Agriculture				<u>926,247</u>
United States Department of Education				
Passed through Louisiana Department of Education:				
Title I Grants to Local Educational Agencies				
Basic Grant Program	84.010A	28-10-T1-18	1,441,736	
		28-09-TA-18	155,907	
		28-08-TA-18	266	
		28-07-TA-18	121,124	
Title I ARRA	84.389A	28-09-A1-18	923,452	2,642,485
Special Education Cluster:				
Grants to States (Part B)	84.027A	28-10-PD-18	55,250	
		28-10-B1-18	265,444	
Grants to States (Part B)- ARRA	84.391A	28-09-A1-18	234,212	
Preschool Grants- ARRA	84.392A	28-09-AP-18	5,059	559,965
Title II (Improving Teacher Quality State Grants)	84.367A	28-10-50-18		334,264
Title IV (Safe and Drug Free Schools)	84.186A	28-10-70-18		15,748
Technology Literacy Challenge(EETT)	84.318X	28-10-49-18	2,712	
		28-09-49-18	5,425	
		28-08-49-18C	4,064	
Technology Literacy Challenge(EETT)- ARRA	84.386A	28-09-59-18	32,990	45,191
State Fiscal Stabilization- ARRA	83.394A	28-10-AS-18		271,406
School Improvement Fund 1003(g)	84.377A	28-09-TC-18	153,518	
		28-08-TC-18	13,978	167,496
Vocational Education: Basic Grants to States	84.048	28-10-02-18		29,068
Rural Education Achievement Program (REAP)	84.358B	28-10-RE-18	12,986	
		28-09-RE-18C	4,021	17,007
LASIG Family Facilitator	84.323A	28-10-FF-18		22,312
Reading First State Grants	84.357A	28-09-RF-18	4,615	
		28-08-RF-18C	11,436	
		28-07-RF-18C	33,664	49,715
Math and Science Partnership	84.366B	28-09-MP-34		62,386
Total United States Department of Education				<u>4,217,043</u>
Department of Health and Human Services				
Passed Through the Louisiana Department of Education				
Temporary Assistance for Needy Families	93.558	28-09-OS-18	24,437	
		28-10-36-18	23,953	
		28-09-JA-18	12,565	
		28-10-JS-18	80,990	
		28-10-OS-18	188,685	330,630
TOTAL FEDERAL AWARDS				<u>\$ 5,473,920</u>

East Carroll Parish School Board
Notes to Schedule of Expenditures of Federal Awards
For the Year Ended June 30, 2010

NOTE 1 - GENERAL The accompanying Schedule of Expenditures of Federal Awards presents the activity of all federal awards programs of the East Carroll Parish School Board. The East Carroll Parish School Board's (the "School Board") reporting entity is defined in note 1 to the School Board's basic financial statements. Federal awards received directly from federal agencies, as well as federal awards passed through other government agencies, are included on the schedule.

NOTE 2 - BASIS OF ACCOUNTING The accompanying Schedule of Expenditures of Federal Awards is presented using the modified accrual basis of accounting, which is described in note 1 to the School Board's basic financial statements.

NOTE 3 - RELATIONSHIP TO BASIC FINANCIAL STATEMENTS Federal awards are reported in the School Board's basic financial statements as follows:

	<u>Federal Sources</u>
Title I	\$ 2,809,981
Other governmental:	
Title II	334,264
Title IV	15,748
IDEA	577,218
Preschool	5,059
Summer Feeding	45,082
Rural Education Achievement	17,007
Vocational Education	29,068
JAG	93,555
LA 4	23,953
Child Nutrition	881,165
Other Miscellaneous	325,223
Enhancing Education Thru Technology	45,191
State Fiscal Stabilization- ARRA	271,406
Total	<u>\$ 5,473,920</u>

NOTE 4 - RELATIONSHIP TO FEDERAL FINANCIAL REPORTS Amounts reported in the accompanying schedule agree with the amounts reported in the related federal financial reports except for changes made to reflect amounts in accordance with accounting principles generally accepted in the United States of America.

NOTE 5 - MATCHING REVENUES For those funds that have matching revenues and state funding, federal expenditures were determined by deducting matching revenues from total expenditures.

NOTE 6 - NONCASH PROGRAMS The commodities received, which are noncash revenues, are valued using prices provided by the United States Department of Agriculture.

**East Carroll Parish School Board
Schedule of Findings and Questioned Costs
As of and for the Year Ended June 30, 2010**

PART I - Summary of the auditors' results

Financial statement audit

- i. The type of audit report issued was unqualified.
- ii. There were three significant deficiencies required to be disclosed by Government Auditing Standards issued by the Comptroller General of the United States. The significant deficiencies were not considered to be material weaknesses.
- iii. There were no instances of noncompliance considered material, as defined by the Government Auditing Standards, to the financial statement.

Audit of federal awards

- iv. There were four significant deficiencies required to be disclosed by OMB Circular A-133.

These significant deficiencies were not considered to be material weaknesses.
- v. The type of report the auditor issued on compliance for major programs was unqualified.
- vi. The audit disclosed four audit findings which the auditor is required to report under OMB Circular A-133, Section .510(a).
- vii. The major federal programs are:

Child Nutrition Cluster:

CFDA #10.555	National School Lunch Program
CFDA #10.553	School Breakfast
CFDA #10.559	Summer Feeding Program for Children

Title I Cluster:

CFDA #84.010A	Title I- Basic Grants Program
CFDA #84.389A	Title I ARRA

Special Education Cluster:

CFDA #84.027A	Grants to States (Part B)
CFDA #84.391A	Grants to States (Part B) ARRA
CFDA #84.392A	Preschool Grants ARRA

CFDA #84.394	State Fiscal Stabilization
CFDA #84.367A	Title II (Improving Teacher Quality State Grants)

- viii. The dollar threshold used to distinguish between Type A and Type B programs as described in OMB Circular A-133, Section .520(b) was \$300,000.
- ix. The auditee does not qualify as a low-risk auditee under OMB Circular A-133, Section .530.

East Carroll Parish School Board
Schedule of Findings and Questioned Costs
June 30, 2010

Part II – Findings related to the financial statements which are required to be reported in accordance with Government Auditing Standards generally accepted in the United States of America:

Reference # and title: 10-F1 Payroll Disbursements

Criteria or specific requirement: Proper internal controls over payroll disbursements require that proper documentation is kept in personnel files to determine existence of employment, proper classifications and salaries of employees based upon experience and education levels and that direct deposit authorization is kept. In addition, workers compensation classifications of employees should be correct for their position, time cards or sheets should be kept for part time employees and signed by the employee, as well as contracts should be kept up to date for contract workers. Good controls over payroll require that there be procedures for setting up a new employee in the system.

Condition found: Out of 73 payroll disbursements tested the following discrepancies were noted:

- Two employees did not have proper documentation in their personnel file. The I9's were missing and there were no other forms of identification in their files.
- Three employees did not have direct deposit authorizations in their files.
- No time sheets or cards were being kept for one part time employee.
- Two contracted employees did not have accurate current contracts that served as their semi-annual certification.

During the course of testing payroll records, it was noted that the School Board has set up approximately 28 employees in the payroll system that were not actual individuals working for the School Board. These "generic" identifications are set up at the beginning of each year and then terminated at the end of each year. There was no indication found that these "generic" identifications received any payroll checks during the year. It appears that these "generic" identifications are strictly used for coding substitute employees. The School Board is currently using these "generic" identifications when assigning substitutes at the school level. Each time a substitute is entered into the system, the School Board has to assign that substitute to the employee that the substitute was filling in for. Unless the School Board distinguishes that the employee was out on professional leave when the substitute was used, the employee will be docked for sick leave or personal leave. Also, due to the closure of Monticello High School at the end of the 2009-2010 school year and the fact that several teachers left at the end of the prior year, the School Board had several classrooms without a teacher. To prevent hiring new teachers, the School Board chose to use substitutes to fill these positions and coded these substitutes to the "generic" identifications detailed above. Additionally, through testing substitute pay it was noted that one substitute was paid twice for the same day of work and both were coded to a "generic" identification. A sample of 40 of these substitute transactions was selected for testing. Documentation such as a sign in sheet was not provided for 12 of these transactions. The School Board has the capability of coding leave time for an employee that is out for professional development purposes as professional leave. However, the School Board is not properly using these capabilities in the substitute employee process.

When testing fringe benefits we noted that one of the twenty-one employees selected had the wrong workers compensation rate. The rate used was .58% and should have been 6.03% due to the higher risk of that employee's job position.

In tracing one employee's check for \$181.10 to clearing in the bank account, it was noted that the check had not cleared the bank but had been accidentally been removed from the outstanding checklist.

When testing a sample of administrative salaries, it was noted that one employee is being paid for duties they are no longer performing. Also, it was noted that one employee was underpaid according to the terms of their contract.

**East Carroll Parish School Board
Schedule of Findings and Questioned Costs
June 30, 2010**

Part II – Findings related to the financial statements which are required to be reported in accordance with Government Auditing Standards generally accepted in the United States of America:

Possible asserted effect (cause and effect):

Cause: Unknown.

Effect: There is improper internal control over payroll disbursements.

Recommendations to prevent future occurrences: The practice of using “generic” identifications in the payroll system should cease immediately. Management should work with the software provider to develop procedures for coding substitutes in the system. The School Board should establish proper policies and procedures to ensure that there is proof of existence for all employees on the payroll, that time cards are kept for part time employees and signed by the employee and his supervisor, that workers compensation rates are correctly assigned for each employee, that direct deposit authorizations are on file for all employees participating in direct deposit, that contracts for contracted workers are current and appropriate and that the payroll bank reconciliation is correct.

Reference # and title: **10-F2** **Capital Assets**

Criteria or specific requirement: Good internal controls over capital assets require procedures to be implemented, to ensure additions and deletions are properly recorded on the capital asset listing, per the School Board’s approved capitalization policy. The capital assets on the listing should be inspected annually, to determine that the capitalized assets are still in existence and being utilized. All capital assets should be properly tagged, to determine that the asset is property of the School Board and to provide an audit trail for annual inspections.

Condition found: While testing expenditures for capital assets through the general ledger, it was noted that five assets were not added to the capital asset listing. These assets (which include two school buses, a driver’s education car, an audio sound console, and reading software) were not tagged and the total cost of these assets was \$213,394.

While performing a test of inspections of capital assets at two schools it was noted that three of the ten assets selected to trace back to the listing at one particular school could not be located on the listing. All three of these assets were not tagged, therefore, could not be traced to the capital asset listing.

In testing four asset deletions, it was noted that none of the four asset deletion forms were signed as approved by either the school principal or designated supervisor.

Possible asserted effect (cause and effect):

Cause: There are presently few procedures in place for updating the listing. It appears that most of the updates are done after year end.

Effect: Internal controls over capital assets are weakened.

Recommendations to prevent future occurrences: The School Board should implement procedures to ensure that all capital assets over the capitalization threshold are accounted for on the capital asset listing. Management should ensure that each asset placed at a particular location be properly tagged to show ownership of the School Board. The annual inventory should include that all assets at the school are on the listing as well as that all assets on the listing are

**East Carroll Parish School Board
Schedule of Findings and Questioned Costs
June 30, 2010**

Part II – Findings related to the financial statements which are required to be reported in accordance with Government Auditing Standards generally accepted in the United States of America:

at the school. Deletion forms should be approved by the appropriate assigned person.

Reference # and title: 10-F3 Student Activity Funds

Criteria or specific requirement: Proper internal controls over student activity funds require that the accounting for student activity funds be current and accurate. Financials should be prepared on a regular basis and provided to the School Board for review.

Condition found: In reviewing seven school audits completed by the School Board Business Manager the following exceptions were noted:

Receipts:

- Deposits do not always equal the receipts/teacher log showed
- Receipts are not always issued for concessions.
- Receipt logs are not always up to date and deposits cannot always be traced to receipts.
- Principals do not always sign off on receipts in log books.
- Game concession sheets are filled out improperly and game ticket recons are not always prepared.
- Documentation for fund raisers is not always kept.

Disbursements:

- Checks are being written out of numerical order.
- Blank checks with signatures only or no signatures are being taken from the schools for purchases.
- Checks are being written without proper support.
- Disbursements that should be made by the Central Office are being made at the schools.
- Checks are written without the proper approval of invoices or purchase orders.
- Checks are being written with no invoices or tickets (paid from purchase order only)

Financials:

- Financials are not always up to date, nor bank statements reconciled timely.

Possible asserted effect (cause and effect):

Cause: The cause for student activity funds is unknown.

Effect: Internal Controls over student activity funds are weakened.

Recommendations to prevent future occurrences: Procedures should be implemented to ensure the School Board receives monthly financial statements from each school. Management should continue to provide guidance to school bookkeepers on the importance of keeping accounting records accurate and current.

**East Carroll Parish School Board
Schedule of Findings and Questioned Costs
June 30, 2010**

Part III – Findings and questioned costs for federal awards which are required to be reported under OMB Circular A-133 Section (a):

Reference # and title: 10-F4 Reporting of Financial Data

Entity-Wide or program/department specific: This finding relates to the Title I Cluster program, Title I CFDA# 84.010A and Title I ARRA CFDA# 84.389A for Federal Award Year 2010, received from Federal Agency U.S. Department of Education passed through the Louisiana Department of Education.

Criteria or specific requirement: The financial reports that are filed with the State should be accurate and the amounts reported tie to the general ledger records of the School Board.

Condition found: Periodic Expense reports #3 and #4 for both Title I ARRA and regular Title I contained variances from the general ledger records. For the Title I ARRA grant, a variance of \$16,518 was noted on Periodic Expense report #3 and \$1,228 was noted on Periodic Expense report #4. For the Title I grant a variance of \$1,221 was noted on Periodic Expense report #4.

Possible asserted effect (cause and effect):

Cause: Unknown

Effect: The reporting of Title I expenditures to the State was inaccurate.

Recommendations to prevent future occurrences: The School Board should establish procedures of management review of data submitted to the State before it is submitted to ensure that it is accurate.

Reference # and title: 10-F5 Private School Involvement

Entity-Wide or program/department specific: This finding relates to the Title I Cluster program, Title I CFDA# 84.010A and Title I ARRA CFDA# 84.389A for Federal Award Year 2010, received from Federal Agency U.S. Department of Education passed through the Louisiana Department of Education.

Criteria or specific requirement: Federal guidelines require that all private schools in the parish be offered Title I funding assistance each year.

Condition found: The Title I Department could not provide documentation that Title I services were offered to the private school for the 2009-2010 school year.

Possible asserted effect (cause and effect):

Cause: The private school had withdrawn from the Title I program on June 18, 2008 indicating it did not want any more involvement unless the program regulations were changed.

Effect: Title I cannot document that services were offered.

**East Carroll Parish School Board
Schedule of Findings and Questioned Costs
June 30, 2010**

Part III – Findings and questioned costs for federal awards which are required to be reported under OMB Circular A-133 Section (a):

Recommendations to prevent future occurrences: The School Board should offer Title I services to the private school each year even if they refuse the services and documentation should be retained.

Reference # and title: **10-F6** **Cash Management of Federal Awards**

Entity-Wide or program/department specific: This finding relates to the Title I Cluster program, Title I CFDA# 84.010A and Title I ARRA CFDA# 84.389A for Federal Award Year 2010, received from Federal Agency U.S. Department of Education passed through the Louisiana Department of Education.

Criteria or specific requirement: Reimbursement requests for Title I funds should be requested after the expenses are paid except for payroll expenses which may be requested up to one month in advance.

Condition found: Reimbursement request number 2 for Title I School Improvement was requested before any expenses were incurred. Reimbursement request number 2 was dated 9/16/09 and included a request for \$120,283. However, the invoices for these purchases were not paid by the School Board until 10/13/09 and 10/29/09.

Possible asserted effect (cause and effect):

Cause: The grant award period ended 09/30/2009 and all requests for reimbursement had to be submitted by this date. The School Board had seventy two thousand dollars of unspent funds available in the grant so therefore went ahead and requested these funds for planned expenditures even though they had not incurred the expenses yet.

Effect: Cash management procedures were not followed for these purchases.

Recommendations to prevent future occurrences: The School Board should not claim a reimbursement for expenses if the expenses have not been occurred except in the case of payroll.

Reference # and title: **10-F7** **Suspension and Debarment**

Entity-Wide or program/department specific: This finding relates to the Title I Cluster program, Title I CFDA# 84.010A and Title I ARRA CFDA# 84.389A and Special Education Programs Cluster CFDA# 84.027, 84.391, 84.173 and 84.392 for Federal Award Year 2010, received from Federal Agency U.S. Department of Education passed through the Louisiana Department of Education.

Criteria or specific requirement: Recipients of federal grants are required to ensure that they do not make payments to vendors who are either suspended or debarred from receiving federal awards. This applies to all vendors expected to be paid \$25,000 in total during the year.

Condition found: The Title I and Special Education programs do not have controls in place to ensure that payments are not made to vendors who are either suspended or debarred.

**East Carroll Parish School Board
Schedule of Findings and Questioned Costs
June 30, 2010**

Part III – Findings and questioned costs for federal awards which are required to be reported under OMB Circular A-133 Section (a):

Possible asserted effect (cause and effect):

Cause: Employees in the Title I and Special Education Departments were not aware of the requirement.

Effect: The Title I and Special Education programs are not following the federal guidelines related to suspension and debarment.

Recommendations to prevent future occurrences: The Title I and Special Education programs should implement controls to ensure compliance with the suspension and debarment requirements. Verification checks should be performed by accessing the EPLS website to ascertain if each vendor is under either suspension or debarment.

East Carroll Parish School Board

OTHER INFORMATION

**East Carroll Parish School Board
Summary Schedule of Prior Audit Findings
June 30, 2010**

Reference # and title: **09-F1** **Payroll Disbursements**

Date Originated: June 30, 2009

Condition: Proper internal controls over payroll disbursements require that proper documentation is kept in personnel files to determine existence of employment, proper classifications and salaries of employees based upon experience and education levels. The payroll accounting system used by the School Board should be kept current with employees who are actively employed through the School Board. Finally, contributions made to the Louisiana Teachers Retirement System (LTRS) made on behalf of the employee by the School Board should be accurate for the current year and the percentage should be distributed equally between all employees within the LTRS.

A total of 44 payroll disbursements were chosen for testing. The following discrepancies were noted:

- Three employees did not have proper documentation in their personnel file. They were missing or had incomplete 19's.
- Two employees were receiving contribution rates for Louisiana Teachers Retirement System at the prior year's rate.

In reviewing personnel files, it was noted that some of the employees' personnel files were missing documentation to determine years of experience and education level. This documentation is used to determine salaries for each employee based on their information provided.

Through employee confirmations sent to two schools, it was noted that four of the employees on the employee alpha listing had terminated employment, but were never terminated through the payroll accounting system. In addition, five employees were coded at a particular school; however, they were not employed at that school. Three were employed at the central office and the other two became contract workers prior to the employee alpha listing being printed.

When testing fringe benefits we noted four of the twenty employees selected were receiving contribution rates for the Louisiana Teachers Retirement System based upon prior years' percentages.

Corrective action planned: See corrective action plan for current year finding 10-F1.

Reference # and title: **09-F2** **Capital Assets**

Date Originated: June 30, 2008

Condition: Good internal controls over capital assets require procedures to be implemented, to ensure additions and deletions are properly recorded on the capital asset listing, per the School Board's approved capitalization policy. The capital asset on the listing should be inspected annually, to determine that the capitalized asset is still in existence and being utilized. All capital assets should be properly tagged, to determine that the asset is ownership of the School Board and to provide an audit trail for annual inspections.

While testing expenditures for capital asset through capital project fund and the repair and maintenance accounts, it was noted that 25 assets were not added to the capital asset listing. These assets were not tagged and the total costs of these assets were \$235,223. Of this amount, \$41,959 and 14 of the assets were found within the capital project fund the remaining 11 assets were found in the review of repairs and maintenance accounts, with a cost of \$193,264.

**East Carroll Parish School Board
Summary Schedule of Prior Audit Findings
June 30, 2010**

While performing a test of inspections of capital assets at two schools it was noted that nine of the ten assets selected to trace back to the listing at one particular school could not be located on the listing. Four of these assets were not tagged, therefore, could not be traced to the capital asset listing and the other five were tagged, but could not be located on the capital asset listing.

Through discussion with management, it was determined that the School Board does not perform an annual inspection of capital assets.

Corrective action planned: See corrective action plan for current year finding 10-F2.

Reference # and title: **09-F3** **Student Activity Funds**

Date Originated: June 30, 2008

Condition: Proper internal controls over student activity funds require that the accounting for student activity funds be current and accurate. Financials should be prepared on a regular basis and provided to the School Board for review.

In reviewing student activity reports provided by the school it was noted, that one school has not completed their bank reconciliations since September 2008. Accounting has not been completed and determined to be accurate since September 2008. Another school has not provided financial reports for their student activity funds since September 2008.

Corrective action planned: See corrective action plan for current year finding 10-F3.

Reference # and title: **09-F4** **Late Submission of Audit Report to the Legislative Auditor**

Date Originated: June 30, 2009

Condition: The LSA-R.S. 24:513A (5)(a) states: "Audits shall be completed within six months of the close of the entity's fiscal year."

The School Board's audit for the year ended June 30, 2009 was not submitted to the Louisiana Legislative Auditor within the six-month deadline.

Corrective action taken: Management will make sure all deadlines are met in the future.

**East Carroll Parish School Board
Summary Schedule of Prior Audit Findings
June 30, 2010**

Reference # and title: **09-F5** **Capital Assets**

Date Originated: June 30, 2009

Federal program and specific federal award identification: This finding relates to Child Nutrition Program, CFDA# 10.555.

Condition: Good internal controls over capital assets require procedures to be implemented, to ensure additions and deletions are properly recorded on the capital asset listing, per the School Board's approved capitalization policy. The capital asset on the listing should be inspected annually, to determine that the capitalized asset is still in existence and being utilized. All capital assets should be properly tagged, to determine that the asset is ownership of the School Board and to provide an audit trail for annual inspections.

Four assets were selected at one school cafeteria to trace to the capital asset listing. Three of these assets in the cafeteria could not be traced to the listing. One of the three capital assets that could not be traced to the listing was tagged. The other two were not tagged.

Through discussion with management, it was determined that the School Board does not perform an annual inspection of capital assets.

Corrective action taken: New inventory clerk was employed. Annual inspection of capital assets was performed.

Reference # and title: **09-F6** **Weak Internal Controls**

Date Originated: June 30, 2009

Federal program and specific federal award identification: This finding relates to Reading First, CFDA# 84.357.

Condition: Good internal controls over federal programs include review of financial records to ensure the correct amounts are being charged to the program and to ensure that report submissions contain accurate information. Timely revisions of budgets and report submissions should be observed.

During the course of our testing we determined that one of the employees' retirement rates was paid at a different rate than the other employees even though the employee was enrolled in the same retirement program.

An amount of \$5,307.18 in disallowed costs was submitted for reimbursement and not detected at the LEA program level. Although a budget revision would have allowed for payment of the disallowed funds, a budget revision was never submitted.

In addition, two project completion reports were filed with the state. These reports were compared to the amounts per the state website regarding payments received and the result was \$3,313.76 more paid by the state than recognized on the project completion reports.

Corrective action taken: Supervisors will make sure revisions are made accordingly and in a timely manner. Expenditures will be reviewed before request for reimbursements are made to assure adherence to the budget.

East Carroll Parish School Board
Corrective Action Plan for Current-Year Findings and Questioned Costs
June 30, 2010

Reference # and title: **10-F1** **Payroll Disbursements**

Condition: Proper internal controls over payroll disbursements require that proper documentation is kept in personnel files to determine existence of employment, proper classifications and salaries of employees based upon experience and education levels and that direct deposit authorization is kept. In addition workers compensation classifications of employees should be correct for their position, time cards or sheets should be kept for part time employees and signed by the employee, as well as contracts should be kept up to date for contract workers. Good controls over payroll require that there be procedures for setting up a new employee in the system.

Out of 73 payroll disbursements tested the following discrepancies were noted:

- Two employees did not have proper documentation in their personnel file. The I9's were missing and there were no other forms of identification in their files.
- Three employees did not have direct deposit authorizations in their files.
- No time sheets or cards were being kept for one part time employee.
- Two contracted employees did not have accurate current contracts that served as their semi-annual certification.

During the course of testing payroll records, it was noted that the School Board has set up approximately 28 employees in the payroll system that were not actual individuals working for the School Board. These "generic" identifications are set up at the beginning of each year and then terminated at the end of each year. There was no indication found that these "generic" identifications received any payroll checks during the year. It appears that these "generic" identifications are strictly used for coding substitute employees. The School Board is currently using these "generic" identifications when assigning substitutes at the school level. Each time a substitute is entered into the system, the School Board has to assign that substitute to the employee that the substitute was filling in for. Unless the School Board distinguishes that the employee was out on professional leave when the substitute was used, the employee will be docked for sick leave or personal leave. Also, due to the closure of Monticello High School at the end of the 2009-2010 school year and the fact that several teachers left at the end of the prior year, the School Board had several classrooms without a teacher. To prevent hiring new teachers, the School Board chose to use substitutes to fill these positions and coded these substitutes to the "generic" identifications detailed above. Additionally, through testing substitute pay it was noted that one substitute was paid twice for the same day of work and both were coded to a "generic" identification. A sample of 40 of these substitute transactions was selected for testing. Documentation such as a sign in sheet was not provided for 12 of these transactions. The School Board has the capability of coding leave time for an employee that is out for professional development purposes as professional leave. However, the School Board is not properly using these capabilities in the substitute employee process.

When testing fringe benefits we noted that one of the twenty one employees selected had the wrong workers compensation rate. The rate used was .58% and should have been 6.03% due to the higher risk of that employee's job position.

In tracing one employee's check for \$181.10 to clearing in the bank account, it was noted that the check had not cleared the bank but had been accidentally been removed from the outstanding check list.

When testing a sample of administrative salaries, it was noted that one employee is being paid for duties they are no longer performing. Also, it was noted that one employee was underpaid according to the terms of their contract.

**East Carroll Parish School Board
Corrective Action Plan for Current-Year Findings and Questioned Costs
June 30, 2010**

Corrective action planned: The Payroll Clerk has terminated all "generic" employees and received training on how to enter substitutes when there is no teacher of record. Administrative salaries will be reviewed by the superintendent and/or designee and appropriate action will be taken.

Person responsible for corrective action:

Dr. Vleria Millikin, Superintendent Telephone: (318) 559-2222
East Carroll Parish School Board Fax: (318) 559-3864
P. O. Box 792
Lake Providence, LA 71254-0792

Anticipated completion date: June 30, 2011

Reference # and title: **10-F2** **Capital Assets**

Condition: Good internal controls over capital assets require procedures to be implemented, to ensure additions and deletions are properly recorded on the capital asset listing, per the School Board's approved capitalization policy. The capital assets on the listing should be inspected annually, to determine that the capitalized assets are still in existence and being utilized. All capital assets should be properly tagged, to determine that the asset is property of the School Board and to provide an audit trail for annual inspections.

While testing expenditures for capital assets through the general ledger, it was noted that five assets were not added to the capital asset listing. These assets (which include two school buses, a driver's education car, an audio sound console, and reading software) were not tagged and the total cost of these assets was \$213,394.

While performing a test of inspections of capital assets at two schools it was noted that three of the ten assets selected to trace back to the listing at one particular school could not be located on the listing. All three of these assets were not tagged, therefore, could not be traced to the capital asset listing.

In testing four asset deletions, it was noted that none of the four asset deletion forms were signed as approved by either the school principal or designated supervisor.

Corrective action planned: The Inventory Clerk will begin reviewing the general ledger codes 600 through 730 to ensure that all assets are accounted for and listed on Capital Asset report. The clerk will also make sure all deletions reports are properly completed and signed by appropriate personnel.

Person responsible for corrective action:

Dr. Vleria Millikin, Superintendent Telephone: (318) 559-2222
East Carroll Parish School Board Fax: (318) 559-3864
P. O. Box 792
Lake Providence, LA 71254-0792

Anticipated completion date: June 30, 2011

**East Carroll Parish School Board
Corrective Action Plan for Current-Year Findings and Questioned Costs
June 30, 2010**

Reference # and title: **10-F3** **Student Activity Funds**

Condition: Proper internal controls over student activity funds require that the accounting for student activity funds be current and accurate. Financials should be prepared on a regular basis and provided to the School Board for review.

In reviewing seven school audits completed by the School Board Business Manager the following exceptions were noted:

Receipts:

- Deposits do not always equal the receipts/teacher log showed
- Receipts are not always issued for concessions.
- Receipt logs are not always up to date and deposits cannot always be traced to receipts.
- Principal do not always sign off on receipts in log books.
- Game concession sheets are filled out improperly and game ticket recons are not always prepared.
- Documentation for fund raisers is not always kept.

Disbursements:

- Checks are being written out of numerical order.
- Blank checks with signatures only or no signatures are being taken from the schools for purchases.
- Checks are being written without proper support.
- Disbursements that should be made by the Central Office are being made at the schools.
- Checks are written without the proper approval of invoices or purchase orders.
- Checks are being written with no invoices or tickets (paid from purchase order only)

Financials:

- Financials are not always up to date, nor bank statements reconciled timely.

Corrective action planned: In-service is ongoing for secretaries to ensure that these deficiencies are cleared and policy and procedures are continually being followed in every aspect of the job.

Person responsible for corrective action:

Dr. Volera Millikin, Superintendent Telephone: (318) 559-2222
East Carroll Parish School Board Fax: (318) 559-3864
P. O. Box 792
Lake Providence, LA 71254-0792

Anticipated completion date: June 30, 2011

**East Carroll Parish School Board
Corrective Action Plan for Current-Year Findings and Questioned Costs
June 30, 2010**

Reference # and title: **10-F4** **Reporting of Financial Data**

Entity-Wide or program/department specific: This finding relates to the Title I Cluster program, Title I CFDA# 84.010A and Title I ARRA CFDA# 84.389A for Federal Award Year 2010, received from Federal Agency U.S. Department of Education passed through the Louisiana Department of Education.

Condition: The financial reports that are filed with the State should be accurate and the amounts reported tie to the general ledger records of the School Board.

Periodic Expense reports #3 and #4 for both Title I ARRA and regular Title I contained variances from the general ledger records. For the Title I ARRA grant, a variance of \$16,518 was noted on Periodic Expense report #3 and \$1,228 was noted on Periodic Expense report #4. For the Title I grant a variance of \$1,221 was noted on Periodic Expense report #4.

Corrective action planned: Procedures are being established whereas the Title I Director and/or Business Manager will review all financial data before submission.

Person responsible for corrective action:

Dr. Vleria Millikin, Superintendent Telephone: (318) 559-2222
East Carroll Parish School Board Fax: (318) 559-3864
P. O. Box 792
Lake Providence, LA 71254-0792

Anticipated completion date: June 30, 2011

Reference # and title: **10-F5** **Private School Involvement**

Entity-Wide or program/department specific: This finding relates to the Title I Cluster program, Title I CFDA# 84.010A and Title I ARRA CFDA# 84.389A for Federal Award Year 2010, received from Federal Agency U.S. Department of Education passed through the Louisiana Department of Education.

Condition found: Federal guidelines require that all private schools in the parish be offered Title I funding assistance each year.

The Title I Department could not provide documentation that Title I services were offered to the private school for the 2009-2010 school year.

Corrective action planned: There was a change in administration mid-year and documents could not be found, but the new Title I Director is aware that services should be offered to the private school and will do so accordingly.

Person responsible for corrective action:

Dr. Vleria Millikin, Superintendent Telephone: (318) 559-2222
East Carroll Parish School Board Fax: (318) 559-3864
P. O. Box 792
Lake Providence, LA 71254-0792

Anticipated completion date: June 30, 2011

**East Carroll Parish School Board
Corrective Action Plan for Current-Year Findings and Questioned Costs
June 30, 2010**

Reference # and title: **10-F6** **Cash Management of Federal Awards**

Entity-Wide or program/department specific: This finding relates to the Title I Cluster program, Title I CFDA# 84.010A and Title I ARRA CFDA# 84.389A for Federal Award Year 2010, received from Federal Agency U.S. Department of Education passed through the Louisiana Department of Education.

Condition: Reimbursement requests for Title I funds should be requested after the expenses are paid except for payroll expenses which may be requested up to one month in advance.

Reimbursement request number 2 for Title I School Improvement was requested before any expenses were incurred. Reimbursement request number 2 was dated 9/16/09 and included a request for \$120,283. However, the invoices for these purchases were not paid until 10/13/09 and 10/29/09.

Corrective action planned: There were extenuating circumstances that caused this mishap. We did not want to lose federal dollars. The Title I Clerk is aware that claims should not be made until expenses are incurred. This has always been the practice of the District.

Person responsible for corrective action:

Dr. Vleria Millikin, Superintendent Telephone: (318) 559-2222
East Carroll Parish School Board Fax: (318) 559-3864
P. O. Box 792
Lake Providence, LA 71254-0792

Anticipated completion date: June 30, 2011

Reference # and title: **10-F7** **Suspension and Debarment**

Entity-Wide or program/department specific: This finding relates to the Title I Cluster program, Title I CFDA# 84.010A and Title I ARRA CFDA# 84.389A and Special Education Programs Cluster CFDA# 84.027, 84.391, 84.173 and 84.392 for Federal Award Year 2010, received from Federal Agency U.S. Department of Education passed through the Louisiana Department of Education.

Condition: Recipients of federal grants are required to ensure that they do not make payments to vendors who are either suspended or debarred from receiving federal awards. This applies to all vendors expected to be paid \$25,000 in total during the year.

The Title I and Special Education programs do not have controls in place to ensure that payments are not made to vendors who are either suspended or debarred.

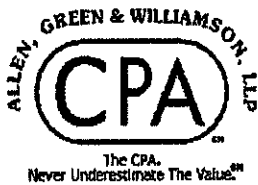
Corrective action planned: Both Title I and Special Ed Directors have been made aware of this requirement and both will follow federal guidelines.

East Carroll Parish School Board
Corrective Action Plan for Current-Year Findings and Questioned Costs
June 30, 2010

Person responsible for corrective action:

Dr. Vleria Millikin, Superintendent Telephone: (318) 559-2222
East Carroll Parish School Board Fax: (318) 559-3864
P. O. Box 792
Lake Providence, LA 71254-0792

Anticipated completion date: June 30, 2011



ALLEN, GREEN & WILLIAMSON, LLP

CERTIFIED PUBLIC ACCOUNTANTS

P. O. Box 6075

Monroe, LA 71211-6075

2441 Tower Drive
Monroe, LA 71201

Phone: (318) 388-4422
Fax: (318) 388-4664

Toll-free: (888) 741-0205
www.allengreencpa.com

Tim Green, CPA
Margie Williamson, CPA
Amy Tynes, CPA

Aimee Buchanan, CPA
Rachel Davis, CPA
Jaime Esswein, CPA
Diane Ferschoff, CPA
Joshua Legg, CPA
Brian McBride, CPA
Jaunicia Mercer, CPA
Cindy Thomason, CPA

Ernest L. Allen, CPA
(Retired) 1963-2000

INDEPENDENT ACCOUNTANTS' REPORT ON APPLYING AGREED-UPON PROCEDURES

Board Members
East Carroll Parish School Board
Lake Providence, Louisiana

We have performed the procedures included in the *Louisiana Governmental Audit Guide* and enumerated below, which were agreed to by the management of the East Carroll Parish School Board, Lake Providence, Louisiana, and the Legislative Auditor, State of Louisiana, solely to assist users in evaluating management's assertions about the performance and statistical data accompanying the annual financial statements of the School Board and to determine whether the specified schedules are free of obvious errors and omissions as provided by the Board of Elementary and Secondary Education (BESE). This agreed-upon procedures engagement was performed in accordance with attestation standards established by the American Institute of Certified Public Accountants and applicable standards of *Government Auditing Standards*. The sufficiency of these procedures is solely the responsibility of the specified users of the reports. Consequently, we make no representation regarding the sufficiency of the procedures described below either for the purpose for which this report has been requested or for any other purpose.

Our procedures and findings relate to the accompanying schedules of supplemental information and are as follows:

General Fund Instructional and Support Expenditures and Certain Local Revenue Sources (Schedule 1)

1. We selected a random sample of 25 transactions and reviewed supporting documentation to determine if the sampled expenditures/revenues are classified correctly and are reported in the proper amounts for each of the following amounts reported on the schedule:
 - Total General Fund Instructional Expenditures,
 - Total General Fund Equipment Expenditures,
 - Total Local Taxation Revenue,
 - Total Local Earnings on Investment in Real Property,
 - Total State Revenue in Lieu of Taxes,
 - Nonpublic Textbook Revenue, and
 - Nonpublic Transportation Revenue.

Comment: No exceptions were noted as a result of applying agreed upon procedures.

Education Levels of Public School Staff (Schedule 2)

2. We reconciled the total number of full-time classroom teachers per the schedule "Experience of Public Principals and Full-time Classroom Teachers" (Schedule 4) to the combined total number of full-time classroom teachers per this schedule and to School Board supporting payroll records as of October 1.

Comment: No exceptions were noted as a result of applying agreed upon procedures.

3. We reconciled the combined total of principals and assistant principals per the schedule "Experience of Public Principals and Full-time Classroom Teachers" (Schedule 4) to the combined total of principals and assistant principals per this schedule.

Comment: No exceptions were noted as a result of applying agreed upon procedures.

4. We obtained a list of full-time teachers, principals, and assistant principals by classification as of October 1 and as reported on the schedule. We traced a random sample of 25 teachers to the individual's personnel file and determine if the individual's education level was properly classified on the schedule.

Comment: No exceptions were noted as a result of applying agreed upon procedures.

Number and Type of Public Schools (Schedule 3)

5. We obtained a list of schools by type as reported on the schedule. We compared the list to the schools and grade levels as reported on the Title I Grants to Local Educational Agencies (CFDA 84.010) application and/or the National School Lunch Program (CFDA 10.555)

Comment: No exceptions were noted as a result of applying agreed upon procedures.

Experience of Public Principals and Full-time Classroom Teachers (Schedule 4)

6. We obtained a list of full-time teachers, principals, and assistant principals by classification as of October reported on the schedule and traced the same sample used in procedure 4 to the individual's personnel file and determined if the individual's experience was properly classified on the schedule.

Comment: No exceptions were noted as a result of applying agreed upon procedures.

Public Staff Data (Schedule 5)

7. We obtained a list of all classroom teachers including their base salary, extra compensation, and ROTC or rehired retiree status as well as full-time equivalent as reported on the schedule and traced a random sample of 25 teachers to the individual's personnel file and determined if the individual's salary, extra compensation, and full-time equivalents were properly included on the schedule.

Comment: Seven exceptions were noted regarding incorrect base salary amounts. One exception noted for an FTE being reduced for an unknown reason.

Management's response: FTE's are computer generated, therefore a call to the software company will be made to address this problem. The Superintendent/Payroll Clerk will review all base salaries for accuracy and personnel files will be updated.

8. We recalculated the average salaries and full-time equivalents reported in the schedule.

Comment: No exceptions were noted as a result of applying agreed upon procedures.

Class Size Characteristics (Schedule 6)

9. We obtained a list of classes by school, school type, and class size as reported on the schedule and reconciled school type classifications to Schedule 3 data, as obtained in procedure 5. We then traced a random sample of 10 classes to the October 1 roll books for those classes and determined if the class was properly classified on the schedule.

Comment: No exceptions were noted as a result of applying agreed upon procedures.

Louisiana Educational Assessment Program (LEAP) for the 21st Century (Schedule 7)

10. We obtained test scores as provided by the testing authority and reconciled scores as reported by the testing authority to scores reported in the schedule by the School Board.

Comment: No exceptions were noted as a result of applying agreed upon procedures.

The Graduation Exit Exam for the 21st Century (Schedule 8)

11. We obtained test scores as provided by the testing authority and reconciled scores as reported by the testing authority to scores reported in the schedule by the School Board.

Comment: No exceptions were noted as a result of applying agreed upon procedures.

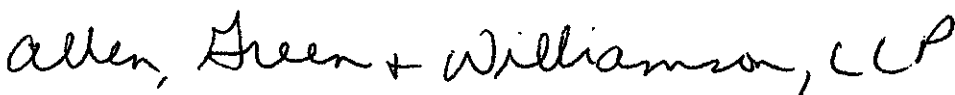
The Iowa Tests (Schedule 9)

12. We obtained test scores as provided by the testing authority and reconciled scores as reported by the testing authority to scores reported in the schedule by the School Board.

Comment: No exceptions were noted as a result of applying agreed upon procedures.

We were not engaged to, and did not, perform an examination, the objective of which would be the expression of an opinion on management's assertions. Accordingly, we do not express such an opinion. Had we performed additional procedures, other matters might have come to our attention that would have been reported to you.

This report is intended solely for the use of management of the East Carroll Parish School Board, the Louisiana Department of Education, the Louisiana Legislature, and the Legislative Auditor, State of Louisiana, and should not be used by those who have not agreed to the procedures and taken responsibility for the sufficiency of the procedures for their purposes. Under Louisiana Revised Statute 24:513, this report is distributed by the Legislative Auditor as a public document.


ALLEN, GREEN & WILLIAMSON, LLP

Monroe, Louisiana
January 6, 2011

EAST CARROLL PARISH SCHOOL BOARD
Lake Providence, Louisiana

Schedule 1

**General Fund Instructional and Support Expenditures
and Certain Local Revenue Sources
For the Year Ended June 30, 2009-2010**

	Column A	Column B
<u>General Fund Instructional and Equipment Expenditures</u>		
General Fund Instructional Expenditures:		
Teacher and Student Interaction Activities:		
Classroom Teacher Salaries	4,348,554	
Other Instructional Staff Activities	502,333	
Employee Benefits	1,717,934	
Purchased Professional and Technical Services	202,479	
Instructional Materials and Supplies	261,184	
Instructional Equipment	28,072	
Total Teacher and Student Interaction Activities		7,050,556
Other Instructional Activities		120,549
Pupil Support Activities	662,152	
Less: Equipment for Pupil Support Activities	-	
Net Pupil Support Activities		662,152
Instructional Staff Services	364,623	
Less: Equipment for Instructional Staff Services	-	
Net Instructional Staff Services		364,623
School Administration	1,129,421	
Less: Equipment for Instructional Staff Services	-	
Net Instructional Staff Services		1,129,421
Total General Fund Instructional Expenditures		9,337,301
Total General Fund Equipment Expenditures (Object 730: Function Series 1000-4000)		220,594
<u>Certain Local Revenue Sources</u>		
Local Taxation Revenue:		
Constitutional Ad Valorem Taxes		258,780
Renewable Ad Valorem Tax		257,956
Debt Service Ad Valorem Tax		
Up to 1% of Collections by the Sheriff on Taxes Other than School Taxes		41,170
Sales and Use Taxes		1,432,897
Total Local Taxation Revenue		1,990,803
Local Earnings on Investment in Real Property:		
Earnings from 16th Section Property		225,030
Earnings from Other Real Property		
Total Local Earnings on Investment in Real Property		225,030
State Revenue in Lieu of Taxes:		
Revenue Sharing - Constitutional Tax		9,602
Revenue Sharing - Other Taxes		9,177
Revenue Sharing - Excess Portion		
Other Revenue in Lieu of Taxes		
Total State Revenue in Lieu of Taxes		18,779
Nonpublic Textbook Revenue		4,000
Nonpublic Transportation Revenue		

SCHEDULE 2

EAST CARROLL PARISH SCHOOL BOARD
Lake Providence, Louisiana

Education levels of Public School Staff
As of October 1, 2009

Category	Full-time Classroom Teachers				Principals & Assistant Principals			
	Certificated		Uncertificated		Certificated		Uncertificated	
	Number	Percent	Number	Percent	Number	Percent	Number	Percent
Less than a Bachelor's Degree								
Bachelor's Degree	64.57	51.50%						
Master's Degree	22.97	18.32%			1	0.80%		
Master's Degree + 30	27.85	22.21%			6	4.79%		
Specialist in Education	2	1.60%			1	0.80%		
Ph. D. or Ed. D.								
Total	117.39	93.63%	0	0.00%	8	6.39%		

SCHEDULE 3

EAST CARROLL PARISH SCHOOL BOARD
Lake Providence, Louisiana

Number and Type of Public Schools
For the Year Ended June 30, 2010

Type	Number
Elementary	3
Middle/Jr. High	1
Secondary	1
Combination	
Total	5

Schedule 4

EAST CARROLL PARISH SCHOOL BOARD
Lake Providence, Louisiana

Experience of Public Principals, Assistant Principals, and Full-time Classroom Teachers
As of October, 2009

	0-1 Yr.	2-3 Yrs.	4-10 Yrs.	11-14 Yrs.	15-19 Yrs.	20-24 Yrs.	25+ Yrs.	Total
Assistant Principals	1				1		1	3
Principals				1			4	5
Classroom Teachers	4	5	18.9	5.96	12.93	12	58.6	117.39
Total	5	5	18.9	6.96	13.93	12	63.6	125.39

Schedule 5

EAST CARROLL PARISH SCHOOL BOARD
Lake Providence, Louisiana

Public School Staff Data: Average Salaries
For the Year Ended June 30, 2010

	All Classroom Teachers	Classroom Teachers Excluding ROTC, Rehired Retirees, and Flagged Salary Reductions
Average Classroom Teachers' Salary Including Extra Compensation	\$42,477.00	\$42,168.00
Average Classroom Teachers' Salary Excluding Extra Compensation	\$41,711.00	\$41,845.00
Number of Teacher Full-time Equivalents (FTEs) used in Computation of Average Salaries	114,4239	84,8293

Note: Figures reported include all sources of funding (i.e., federal, state, and local) but exclude employee benefits. Generally, retired teachers rehired to teach receive less compensation than non-retired teachers and ROTC teachers receive more compensation because of a federal supplement. Therefore, these teachers are excluded from the computation in the last column. This schedule excludes day-to-day substitutes and temporary employees.

EAST CARROLL PARISH SCHOOL BOARD
Lake Providence, Louisiana

Class Size Characteristics
As of October 2009

School Type	Class Size Range									
	1 - 20		21 - 26		27 - 33		34+			
	Percent	Number	Percent	Number	Percent	Number	Percent	Number	Percent	Number
Elementary	81%	154	19%	36			1%	1		
Elementary Activity Classes	78%	21	22%	8						
Middle/Jr. High	96%	113	4%	5						
Middle/Jr. High Activity Classes	74%	14	21%	4	5%	1				
High	74%	114	21%	32	4%	6	1%	2		
High Activity Classes	88%	22	4%	1	8%	2				
Combination										
Combination Activity Classes										

Note: The Board of Elementary and Secondary Education has set specific limits on the maximum size of classes at various grade levels. The maximum enrollment in grades K-3 is 26 students and maximum enrollment in grades 4-12 is 33 students. These limits do not apply to activity classes such as physical education, chorus, band, and other classes without maximum enrollment standards. Therefore, these classes are included only as separate line items.

EAST CARROLL PARISH SCHOOL BOARD
Lake Providence, Louisiana

Louisiana Educational Assessment Program (LEAP)

District Achievement Level	English Language Arts						Mathematics					
	2010		2009		2008		2010		2009		2008	
	Number	Percent	Number	Percent	Number	Percent	Number	Percent	Number	Percent	Number	Percent
Students												
Advanced	3	3	4	4	3	3	5	6			4	4
Mastery	23	28	28	27	22	19	16	18	9	9	42	37
Basic	48	54	49	48	62	54	43	48	61	59	34	30
Approaching Basic	11	12	14	14	14	12	12	13	17	17	19	17
Unsatisfactory	4	4	8	8	13	11	13	15	18	15	15	13
Total	89		103		114		89		103		114	

District Achievement Level	Science						Social Studies					
	2010		2009		2008		2010		2009		2008	
	Number	Percent	Number	Percent	Number	Percent	Number	Percent	Number	Percent	Number	Percent
Students												
Grade 4												
Advanced	2	2					1	1				
Mastery	11	12	14	14	13	11	21	24	18	17	13	11
Basic	32	36	55	53	60	53	49	55	55	53	58	51
Approaching Basic	31	35	20	19	30	26	8	9	18	17	25	22
Unsatisfactory	13	15	14	14	11	10	10	11	12	12	18	16
Total	89		103		114		89		103		114	

District Achievement Level	English Language Arts						Mathematics					
	2010		2009		2008		2010		2009		2008	
	Number	Percent	Number	Percent	Number	Percent	Number	Percent	Number	Percent	Number	Percent
Students												
Grade 8												
Advanced							1	1	7	6		
Mastery	5	7	8	6	2	1	3	4	9	7	2	1
Basic	30	44	70	58	19	14	51	75	80	63	47	34
Approaching Basic	32	47	40	32	61	44	11	18	22	17	49	35
Unsatisfactory	1	1	8	6	56	41	2	3	8	6	41	29
Total	68		128		138		68		126		139	

District Achievement Level Results	Science						Social Studies					
	2010		2009		2008		2010		2009		2008	
	Number	Percent	Number	Percent	Number	Percent	Number	Percent	Number	Percent	Number	Percent
Students												
Grade 8												
Advanced												
Mastery	3	4	7	6	2	1	4	6	2	1		
Basic	24	33	45	36	23	17	53	74	53	42	41	29
Approaching Basic	28	39	61	48	28	20	13	18	50	40	52	37
Unsatisfactory	17	24	13	10	86	62	2	3	20	16	46	33
Total	72		128		139		72		128		139	

EAST CARROLL PARISH SCHOOL BOARD
Lake Providence, Louisiana

The Graduation Exit Exam for the 21st Century
For the Year Ended June 30, 2008

District Achievement Level Results	English Language Arts						Mathematics					
	2010			2009			2008			2010		
	Number	Percent	Number	Percent	Number	Percent	Number	Percent	Number	Percent	Number	Percent
Grade 10												
Advanced												
Mastery	2	2	6	10	2	3	1	1	3	5	5	7
Basic	30	34	26	43	30	45	49	56	28	44	28	41
Approaching Basic	38	44	17	28	24	36	21	24	14	24	17	25
Unsatisfactory	17	20	11	18	11	16	16	18	15	25	18	26
Total	87		60		67		87		59		68	

District Achievement Level Results	Science						Social Studies					
	2010			2009			2008			2010		
	Number	Percent	Number	Percent	Number	Percent	Number	Percent	Number	Percent	Number	Percent
Grade 11												
Advanced												
Mastery	2	5	2	3	3	4	0	0	0	0	1	1
Basic	4	10	14	22	35	50	8	20	20	31	16	23
Approaching Basic	14	34	25	38	22	31	19	46	22	34	33	47
Unsatisfactory	21	51	24	37	10	14	14	34	23	35	20	29
Total	41		65		70		41		65		70	

EAST CARROLL PARISH SCHOOL BOARD
Lake Providence, Louisiana

Schedule 9

/Leap Tests

District Achievement Level Results									
Students	English Language Arts		Mathematics		Science		Social Studies		
	2010	2010	2010	2010	2010	2010	2010	2010	
	Number	Percent	Number	Percent	Number	Percent	Number	Percent	
Grade 3									
Advanced	3	3	0	0	0	0	0	0	3
Mastery	19	20	8	8	5	5	16	16	17
Basic	32	34	43	45	45	47	42	42	44
Approaching Basic	24	25	21	22	36	38	18	18	19
Unsatisfactory	17	18	23	24	9	9	16	16	17
Total	95		95			95			95
District Achievement Level Results									
Students	English Language Arts		Mathematics		Science		Social Studies		
	2010	2010	2010	2010	2010	2010	2010	2010	
	Number	Percent	Number	Percent	Number	Percent	Number	Percent	
Grade 5									
Advanced	10	11	0	0			2	2	2
Mastery	27	31	14	16	18	21	23	23	26
Basic	21	24	42	48	35	40	30	30	34
Approaching Basic	20	23	10	11	24	28	17	17	20
Unsatisfactory	6	10	21	24	10	11	15	15	17
Total	87		87			87			87
District Achievement Level Results									
Students	English Language Arts		Mathematics		Science		Social Studies		
	2010	2010	2010	2010	2010	2010	2010	2010	
	Number	Percent	Number	Percent	Number	Percent	Number	Percent	
Grade 6									
Advanced	1	1	1	1					
Mastery	11	11	3	3	5	6	3	3	3
Basic	36	37	34	35	27	28	29	29	30
Approaching Basic	24	25	21	21	35	36	39	39	40
Unsatisfactory	25	26	39	40	31	32	27	27	28
Total	97		98			98			98

District Achievement Level Results									
Students	English Language Arts 2010			Mathematics 2010			Science 2010		
	Number	Percent		Number	Percent		Number	Percent	
Grade 7									
Advanced				0	0				
Mastery	6		7	1	1	0	0	5	6
Basic	48		59	31	38	25	30	45	55
Approaching Basic	19		23	21	26	43	52	22	27
Unsatisfactory	8		10	28	35	14	17	10	12
Total	81			81			82		82

District Achievement Level Results									
Students	English Language Arts 2010			Mathematics 2010					
	Number	Percent		Number	Percent				
Grade 9									
Advanced									
Mastery	2		2	3	3				
Basic	32		27	37	32				
Approaching Basic	50		43	18	15				
Unsatisfactory	33		28	58	50				
Total	117			117					

District Achievement Level Results	English Language Arts		Mathematics		Science		Social Studies	
	Number	Percent	Number	Percent	Number	Percent	Number	Percent
Grade 3								
Advanced	1	1	1	1	1	1	1	1
Mastery	13	12	8	7	16	15	24	22
Basic	44	41	41	38	40	37	37	34
Approaching Basic	28	26	19	18	29	27	23	21
Unsatisfactory	22	20	39	36	22	20	23	21
Total	108		108		108		108	
District Achievement Level Results	English Language Arts		Mathematics		Science		Social Studies	
Students	Number	Percent	Number	Percent	Number	Percent	Number	Percent
Grade 6								
Advanced	1	1	1	1				
Mastery	25	24	9	9	10	10	18	18
Basic	45	44	47	46	51	50	61	59
Approaching Basic	18	17	15	15	32	31	15	15
Unsatisfactory	14	14	31	30	10	10	8	8
Total	103		103		103		103	

District Achievement Level Results	English Language Arts		Mathematics		Science		Social Studies	
	Number	Percent	Number	Percent	Number	Percent	Number	Percent
Grade 6								
Advanced			1	1				
Mastery	24	27	8	9	8	9	7	8
Basic	37	41	46	53	33	37	47	52
Approaching Basic	21	23	13	14	31	34	23	26
Unsatisfactory	8	9	20	22	18	20	13	14
Total	90		90		90		90	

District Achievement Level Results	English Language Arts		Mathematics		Science		Social Studies	
	Number	Percent	Number	Percent	Number	Percent	Number	Percent
Grade 7								
Advanced			3	3				
Mastery	5	6	3	3	2	2	4	5
Basic	24	27	29	33	35	40	39	44
Approaching Basic	39	43	26	30	32	36	33	38
Unsatisfactory	21	24	27	31	19	22	12	14
Total	88		88		88		88	

District Achievement Level Results	English Language Arts		Mathematics	
	Number	Percent	Number	Percent
Grade 9				
Advanced				
Mastery	31	26	33	28
Basic	64	54	30	25
Approaching Basic	23	19	54	46
Unsatisfactory				
Total	118		118	

District Achievement Level Results	English Language Arts			Mathematics			Science			Social Studies		
	2008			2008			2008			2008		
	Number	Percent		Number	Percent		Number	Percent		Number	Percent	
Grade 3												
Advanced	1	1		2	2					1	1	
Mastery	16	16		11	11		10	10		15	15	
Basic	31	31		31	31		32	32		44	44	
Approaching Basic	21	21		16	16		28	28		16	16	
Unsatisfactory	31	31		40	40		30	30		24	24	
Total	100			100			100			100		
District Achievement	English Language Arts			Mathematics			Science			Social Studies		
Level Results	2008			2008			2008			2008		
Students	Number	Percent		Number	Percent		Number	Percent		Number	Percent	
Grade 6												
Advanced	9	10		2	2							
Mastery	18	19		16	17		6	6		26	26	
Basic	17	18		26	28		37	37		23	23	
Approaching Basic	19	20		9	10		21	22		24	24	
Unsatisfactory	31	33		41	44		30	32		21	21	
Total	94			94			94			94		

District Achievement Level Results	English Language Arts			Mathematics			Science			Social Studies		
	2008			2008			2008			2008		
	Number	Percent		Number	Percent		Number	Percent		Number	Percent	
Grade 6												
Advanced				1	1							
Mastery	3	3		2	2							
Basic	36	44		21	24		25	28		53	60	
Approaching Basic	26	30		26	30		40	45		13	15	
Unsatisfactory	20	23		38	43		23	26		22	26	
Total	86			88			88			88		

District Achievement Level Results	English Language Arts			Mathematics			Science			Social Studies		
	2008			2008			2008			2008		
	Number	Percent		Number	Percent		Number	Percent		Number	Percent	
Grade 7												
Advanced	1	1										
Mastery	10	9		2	2					2	2	
Basic	40	35		23	20		13	12		39	35	
Approaching Basic	37	33		36	32		52	46		39	35	
Unsatisfactory	25	22		52	46		48	42		33	29	
Total	113			113			113			113		

District Achievement Level Results	English Language Arts			Mathematics		
	2008			2008		
	Number	Percent		Number	Percent	
Grade 9						
Advanced						
Mastery						
Basic	23	26		23	28	
Approaching Basic	35	44		13	16	
Unsatisfactory	21	27		43	54	
Total	79			79		